

DIRECTOR
ROBERT
WALDHER

LAND USE
PLANNING,
ZONING AND
PERMITTING

CODE
ENFORCEMENT

SOLID WASTE
COMMITTEE

SMOKE
MANAGEMENT

GIS AND
MAPPING

RURAL
ADDRESSING

LIAISON,
NATURAL
RESOURCES &
ENVIRONMENT

MEMO

TO: Umatilla County Board of Commissioners

FROM: Elizabeth Ridley, Planner II / GIS

DATE: July 31, 2019

RE: City of Hermiston Plan Map Amendment Co-adoption

On March 11, 2019, the Hermiston City Council adopted Ordinance 2271 amending the Comprehensive Plan Map from urbanizable to urban status for 72 acres of land on the north side of East Theatre Lane. The property is described as Tax Lot 500 and 502 located on Assessors Map 4N2802A. The Plan Map Amendment would change the designation from FU-10 (Future Urban, 10-acre minimum) to R-3 (Multi-Family Residential). The City Council also adopted ordinance 2272 annexing said property effective upon co-adoption of Ordinance 2271. Per Section E10 of the Hermiston Planning Area Joint Management Agreement. On July 25, 2019, The Umatilla County Planning Commission recommended approval of this conversion. The matter of the conversion now comes before Umatilla County Board of Commissioners for the final decision.

Background Information

The Hermiston Planning Commission held a public hearing on February 27, 2019, and unanimously passed a motion to recommend approval to the City Council. The City Council held a public hearing on March 11, 2019, and unanimously approved the Plan Map Amendment and subsequently, unanimously adopted Ordinance 2271.

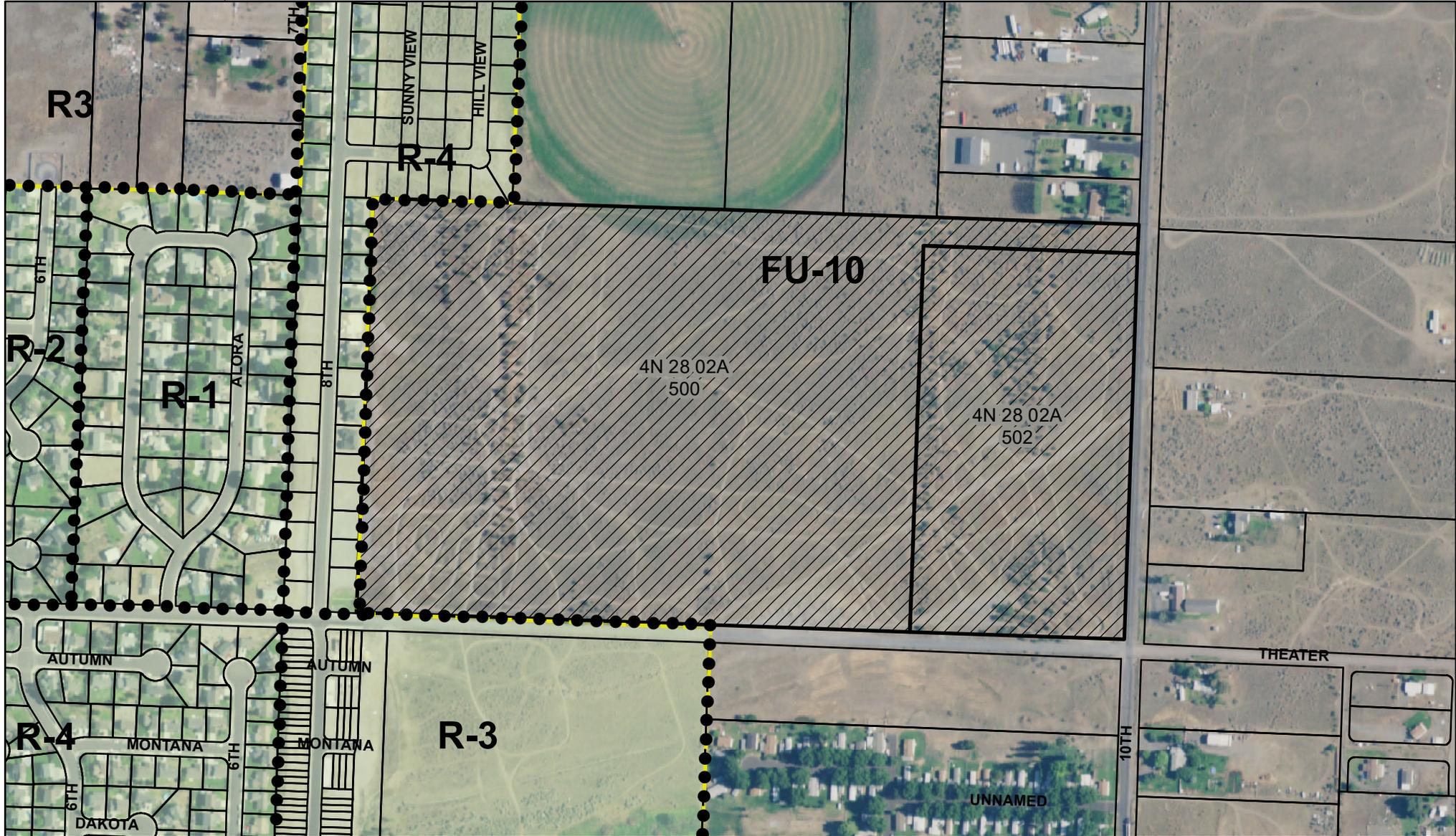
Co-Adoption

The City of Hermiston Joint Management Agreement (JMA) Section E (10) requires Comprehensive Plan Amendments applicable in the Urban Growth Area (UGA) to be processed by the City. The JMA requires amendments to be adopted by ordinance by the City then referred to the County for co-adoption review.

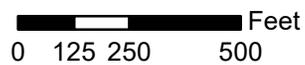
Conclusion

The Board of Commissioners is tasked with making a final decision to approve or refuse the City of Hermiston's co-adoption request. The only item for consideration is the co-adoption of the Comprehensive Plan Map Amendment changing the designation of the property from urbanizable to urban. All subsequent actions taken by the City including annexation with an R-3 zoning designation and potential subdivision are not a part of this consideration.

APPLICANT #1: HERMISTON SCHOOL DISTRICT (HSD)
APPLICANT #2: HERMISTON IRRIGATION DISTRICT (HID)
OWNER: HSD & HID, APPLICATION FOR: COMPREHENSIVE PLAN MAP AMENDMENT
MAP: 4N 28 02A, TAX LOTS: 500 & 502



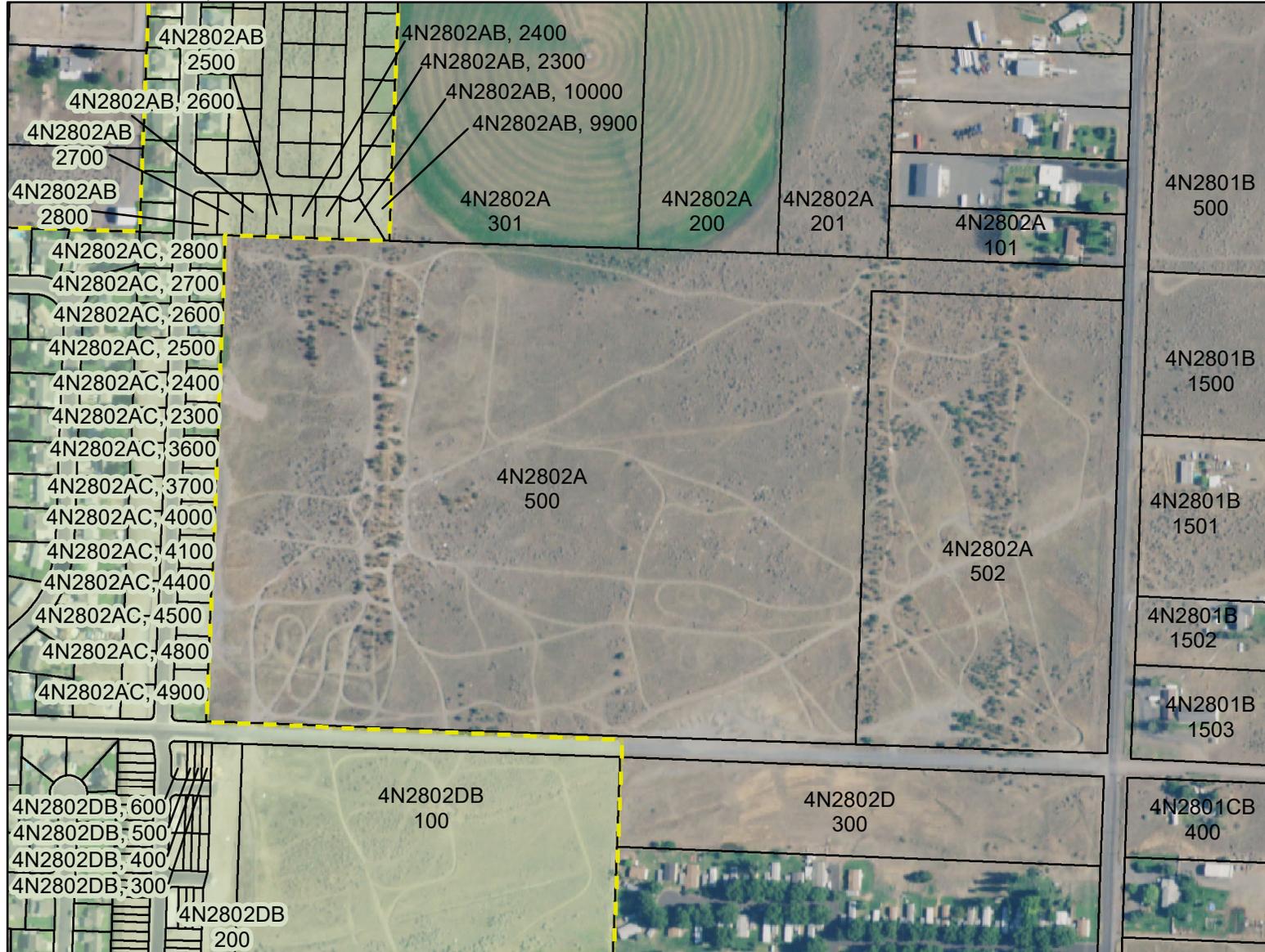
- Zone Boundary
- ▨ Area of Proposed Conversion & Annexation
- Property Boundary
- ▬ City of Hermiston



Map Disclaimer: No warranty is made by Umatilla County as to the accuracy, reliability or completeness of the data. Parcel data should be used for reference purposes only. Created by E. Ridley, Umatilla County Planning Department Date: 7/17/2019

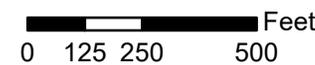
APPLICANT #1: HERMISTON SCHOOL DISTRICT (HSD)
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OWNER: HSD & HID
APPLICATION FOR: COMPREHENSIVE PLAN MAP AMENDMENT
MAP: 4N 28 02A, TAX LOTS: 500 & 502

Notified Landowners within
 100 feet of Parcel 4N 28 02A,
 Tax Lots 500 & 502



MAP	TAX	OWNER
4N2801B	500	ALMAGUER JUAN JR & MELBA D ET AL
4N2801B	1500	KANYID SABRINA
4N2801B	1501	FIGUEROA ELIGIO & LOPEZ TERESA
4N2801B	1502	BANKSTON LARRY J & FLORENCE R
4N2801B	1503	VICTORY LIGHTHOUSE CHURCH
4N2801CB	400	ASHER TODD JAMES & HOWELL VALERIE K
4N2802A	101	MEDELEZ TRUCKING LLC
4N2802A	200	MEDELEZ TRUCKING LLC
4N2802A	201	MEDELEZ HUMBERTO & MEDELEZ JOSE C
4N2802A	301	MEDELEZ TRUCKING LLC
4N2802A	500	HERMISTON IRRIG DIST
4N2802A	502	SCHOOL DIST #8
4N2802AB	2300	HOLT CARL D & EDITH A (TRS)
4N2802AB	2400	HOLT CARL D & EDITH A (TRS)
4N2802AB	2500	HOLT CARL D & EDITH A (TRS)
4N2802AB	2600	HOLT CARL D & EDITH A (TRS)
4N2802AB	2700	HOLT CARL D & EDITH A (TRS)
4N2802AB	2800	ABLES & ABLES LLC
4N2802AB	9900	HOLT CARL D & EDITH A (TRS)
4N2802AB	10000	HOLT CARL D & EDITH A (TRS)
4N2802AC	2300	LUDWIG JAMES DEAN & COLLEEN
4N2802AC	2400	MILLER KYRAN J ET AL
4N2802AC	2500	KROSTING KATHLEEN
4N2802AC	2600	BECKLEY KEVIN W & AMANDA M
4N2802AC	2700	GOLDMAN MITCHELL J & DEVIN E
4N2802AC	2800	GRABEEL SCOLLAN & GRABEEL BEVERLY
4N2802AC	3600	ABLES & ABLES LLC
4N2802AC	3700	BEDOLLA LEURI ADALBERTO & MANDI L
4N2802AC	4000	KESSELL AMANDA M & MCMAHON COREY
4N2802AC	4100	HAMILTON DEREK D & TAMMY L
4N2802AC	4400	HOLT CARL D & EDITH A (TRS)
4N2802AC	4500	HOLT CARL D & EDITH A (TRS)
4N2802AC	4800	HOLT CARL D & EDITH A (TRS)
4N2802AC	4900	HOLT CARL D & EDITH A (TRS)
4N2802DB	600	HANES ZOLLER JOINT VENTURE
4N2802DB	500	HANES ZOLLER JOINT VENTURE
4N2802DB	400	HANES ZOLLER JOINT VENTURE
4N2802DB	300	HANES ZOLLER JOINT VENTURE
4N2802DB	200	HANES ZOLLER JOINT VENTURE
4N2802D	300	VISTA MHC LLC
4N2802DB	100	AMERICAN DEVELOPMENT COMPANY
4N2802DB	200	HANES ZOLLER JOINT VENTURE
4N2802DB	300	HANES ZOLLER JOINT VENTURE
4N2802DB	400	HANES ZOLLER JOINT VENTURE
4N2802DB	500	HANES ZOLLER JOINT VENTURE
4N2802DB	600	HANES ZOLLER JOINT VENTURE

Property Boundary Subject Parcels 100 ft. Notice Boundary City of Hermiston



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March 12, 2019

Mr. Bob Waldher
Umatilla County Planning Director
216 SE 4th Street
Pendleton, OR 97801



Planning
Department

Re: Co-Adoption of Hermiston Ordinance No 2271

RECEIVED

MAY 28 2019

Dear Mr. Waldher:

UMATILLA COUNTY
PLANNING DEPARTMENT

On March 11, 2019, the Hermiston City Council adopted Ordinance 2271 amending the comprehensive plan map from urbanizable to urban status for 72 acres on the north side of E Theater Lane. The city council also adopted ordinance 2272 annexing said property effective upon co-adoption of ordinance 2271. Per Section E10 of the Hermiston Planning Area Joint Management Agreement the matter of conversion now comes before Umatilla County for co-adoption. A copy of ordinance 2271 is attached to this letter for the county's use.

The applicants in the matter of conversion and annexation are the Hermiston Irrigation District and the Hermiston School District. Mr. George Anderson will contact the county to file any necessary applications and fees associated with the co-adoption process.

Sincerely,

A handwritten signature in black ink, appearing to read "Clinton Spencer".

Clinton Spencer

City Planner

C: George Anderson



HERMISTON PLANNING COMMISSION

Regular Meeting

February 27, 2019

Chairman Saylor called the meeting to order at 7:01PM. Commissioners Doherty, Sargent, Hamm, Fialka and Caplinger were present. Commissioners Rebman and Erz were excused. Commissioner Frederic was absent. Staff in attendance were City Planner Clinton Spencer and Heather La Beau.

Minutes

The minutes of the January 9, and February 13, 2019 regular planning commission meetings were approved.

Hearing-Annexation & Conversion 4N2802A Tax Lots 500 and 502

The Planning Commission is holding a hearing to consider a request for conversion and annexation to the City of Hermiston. The Planning Commission will consider the request and make a decision based on the criteria established in §156.08 and §150.05 of the Hermiston Code of Ordinances. The applicant proposes conversion and annexation of approximately 71.02 acre tract of land located at E Theater Lane and NE 10th St. The applicants are the Hermiston School District and the Hermiston Irrigation District.

Chairman Saylor asked if any commissioners had a conflict of interest. Seeing none, the hearing was opened at 7:03PM and the hearing guidelines were read.

City Planner Spencer presented the staff report.

Testimony

George Anderson, 625 W Division- Mr. Anderson is the attorney for the Hermiston School District. He introduced Tricia Mooney, Superintendent of the Hermiston School District, Cameron Bendixsen, attorney for the Hermiston Irrigation District, Mike Bergstrom, Chairman of the Hermiston Irrigation District and Annette Kirkpatrick, Manager of the Hermiston Irrigation District. Mr. Anderson explained the reasoning for the land exchange between the school district and irrigation district and briefly discussed some of the items in the agreement.

Tricia Mooney, 1055 W Judith Place- Ms. Mooney stated the school district is in the long-range facilities planning process and looking at potentially having an elementary facility at this location should the voters approve a bond.

Cameron Bendixsen, 245 E Main St- Mr. Bendixsen asked that the request be approved.

There was discussion as to the road improvements that will be required at the time of construction. Theater Lane will most likely need widened. This will be determined by the traffic study. Public utility infrastructure was also discussed.

Mr. Anderson noted that 10 feet of the southern property was already deeded as right-of-way by the school district and the irrigation district.

Chairman Saylor closed the hearing at 7:23PM.

Findings of Fact

THE CHANGE IS IN CONFORMANCE WITH THE COMPREHENSIVE PLAN AND ALSO THE

GOALS AND POLICIES OF THE PLAN***Goal 1 (Citizen Involvement) and Policy 1 (Citizen Involvement)***

1. Notice of the proposed amendment was published in the Hermiston Herald on January 23, 2019, soliciting comments on the proposed amendment in conformance with 157.229(A) of the Hermiston Code of Ordinances.
2. Notice of the proposed land use action was physically posted on the property on January 23, 2019 in conformance with 157.229(B) of the Hermiston Code of Ordinances.
3. Notice of the proposed land use action was provided by direct mail to all property owners within 300 feet on January 23, 2019 in conformance with 157.229(C) of the Hermiston Code of Ordinances.
4. Comments received as a result of all required publications are incorporated into the record of proceedings.

Goal 2 (Land Use Planning) and Policies 2 (Planning Process), 3 (Intergovernmental Coordination), 4 (Orderly Urban Growth), 5 (Annexation), and 6 (Conversion)

5. The city is required to review its land use designations and supply adequate amounts of all zoning types.
6. Developing this property residentially is appropriate due to its proximity to similarly zoned residential development.
7. Notice of the proposed amendment was provided to Umatilla County, DLCD, ODOT, the Hermiston Irrigation District, the Hermiston School District, and the Confederated Tribes of the Umatilla Indian Reservation on January 23, 2019.
8. The land is adjacent to existing city limits on two sides (west and south) and promotes compact urban development as it is a logical extension of the city limits.
9. The land is greater than 10 acres in size as required by Policy 6 relating to conversion.

Goal 3 (Agricultural Lands) and Policy 17 (Agriculture and Agriculture Related Economy)

10. The land proposed for amendment is not in cultivation nor has been historically used for agricultural purposes. This policy is not applicable.

Goal 4 (Forest Lands) and Policy 7 (Natural Resources)

11. There are no forest lands within the Hermiston UGB. This goal is not applicable.

Goal 5 (Natural Resources, Scenic and Historic Areas, and Open Space) and Policies 8 (Surface and Groundwater Resources), 9 (Mineral and Aggregate Resources), and 10 (Historic Resources)

12. This property is not identified on the existing Goal 5 inventories in the Hermiston comprehensive plan as having any Goal 5 resources. The property is also not identified on the draft wetlands inventory as subject to any previously unidentified wetlands. This policy is not applicable.

Goal 6 (Air, Water and Land Resources Quality) and Policies 11(Air Quality), 12 (Noise), and 13 (Water Quality)

13. The city is required to comply with state and federal regulations regarding air and water quality in all development permitting per 157.004 of the Hermiston Code of Ordinances. Development is required to preserve natural resource quality as part of the development review and construction process.

Goal 7 (Areas Subject to Natural Hazards) and Policy 14 (Natural Hazards and Development Limitations)

14. The property is identified as an area with excessively well-drained soils on Figure 12 of the Hermiston Comprehensive Plan. As a condition of any development approvals for the property, the city will prohibit the outdoor storage of hazardous chemicals and the underground storage of gasoline and diesel fuel.

Goal 8 (Recreation) and Policy 16 (Parks, Recreation and Open Space)

15. The Hermiston comprehensive plan map and parks master plan each identify areas for future park locations and future park upgrades. This property is not included on either inventory. This policy is not applicable.

Goal 9 (Economic Development) and Policies 18 (General Industrial Development), 19 (Commercial Development), and 20 (General Economic Development)

16. The land proposed for conversion is designated as Future Residential and will be converted to an urban residential designation. The city's housing needs analysis and economic opportunities analysis have both been prepared using the assumption that this land will develop residentially. No further economic analysis is needed as the existing economic analysis was prepared taking this land into account as residential and the determination that there is sufficient commercial and industrial land was made.

Goal 10 (Housing) and Policies 21 (Housing Availability and Affordability) and 22 (Neighborhood Quality)

17. The proposed R-3 designation offers housing options and uses which are similar to those permitted in the R-4 and R-3 zoning which is directly adjacent to the tract to the west and south. R-3 permits single-family, duplex, and multi-family uses as outright uses.
18. The R-3 zoning will permit a range of residential uses allowing the city to provide a variety of housing options.
19. Nineteen acres of the site are owned by the Hermiston School District and are likely to develop as an elementary school. Schools provide opportunities for open space and are generally considered compatible with residential development, especially when located within walking distance of existing housing.

Goal 11 (Public Facilities) and Policies 23 (Provision of Public Services and Facilities), 24 (Water, Sewer, and Storm Drainage), 25 (Solid Waste), 26 (Schools), 27 (Police Protection), 28 (Fire Protection), 29 (Local Government Services and Facilities), and 30 (Private Utilities)

20. The city has a planned construction of water services and a municipal water tower near this site is in the bidding stage and construction will be completed by the end of 2019.
21. Sewer services are adjacent to the southwest corner of the site and additional extensions of the sewer system are planned for E Theater Lane as part of the Cimarron Terrace development to the south.
22. Initial reviews of the capacity of the existing utility network indicates it is capable of serving the potential buildout of the tract.
23. All storm water will be retained within the boundaries of the tract. There is no city-wide storm water retention and disposal system.
24. Private development such as multi-family housing and schools will be required to maintain all storm water on private property and within the boundary of the development site.
25. Local streets created to service the internal circulation of the site will retain storm water within the right-of-way using a system of catch basins and drywells, or a system of storm water swales.

26. The city encourages all citizens to utilize Sanitary Disposal for solid waste services. The city provides collection points for recycling at two locations in the city.
27. The comprehensive plan identifies a need for a new school within the boundaries of this tract and one is under consideration by the school district who is a party to the application.
28. The Hermiston Police Department has reviewed the proposal and is able to provide police services to future development.
29. The Umatilla County Fire District #1 has reviewed the proposal and is able to provide fire protection to future development. All public streets and private development will be required to provide fire hydrants in compliance with fire standards and fire sprinklers if the scale of building warrants sprinkling.
30. The city has prepared capital improvement plans for the water, sewer, and street systems for the city. Capital improvements are planned for this area in both water and street infrastructure.
31. Private utilities will be extended into this tract at the time of development.

Goal 12 (Transportation) and Policies 31 (Integrated Transportation System), 32 (Rail/Air Transportation), 33 (Alternative Transportation), and 34 (Transportation System Plan)

32. The existing street classifications of major and minor collector streets are consistent with and able to accommodate the trip generations from R-3 and/or public school development.
33. Significant street upgrades will be required at the time development is proposed to bring the existing streets to a construction standard consistent with collector status.
34. Traffic impact analysis will be required to determine the extent of upgrades necessary.
35. Street frontages of all streets will be approved to the applicable city standard for each street classification at the time development occurs.
36. There are no rail or air transportation services available at this location. This policy is not applicable.
37. Sidewalks will be required on all streets as a condition of development in accordance with Policy 33.
38. The city has an adopted and acknowledged transportation system plan.

Goal 13 (Energy Conservation)

39. Goal 13 requires land to be developed in a manner that maximizes energy conservation based upon sound economic principles through efficient use of density and mixing of uses.
40. The proposed R-3 zoning is the densest zoning available in the city. This creates the densest possible residential development potential.
41. The site incorporates a public school within walking distance of existing housing units to further reduce the need for vehicle trips.

Goal 14 (Urbanization)

42. The property is located within the urbanizable portion of the urban growth boundary consistent with Goal 14. Goal 14 directs cities and counties to provide urbanizable land and provide a mechanism for the orderly conversion of land from urbanizable to urban status. The applicant has submitted applications to convert the land from urbanizable to urban status. The land is adjacent to city limits and utilities and is ready for conversion at this time.

Goal 15 (Willamette River Greenway), Goal 16 (Estuarine Resources), Goal 17 (Coastal Shorelands), Goal 18 (Beaches and Dunes), and Goal 19 (Ocean Resources)

43. Goals 15, 16, 17, 18, and 19 are geographically based statewide planning goals intended to protect specific, identified natural resources. None of the resources under these goals are within the Hermiston planning area. Goals 15, 16, 17, 18, and 19 are not applicable.

DESCRIBE THE PUBLIC NEED FOR THE COMPREHENSIVE PLAN AMENDMENT AND WHETHER THAT PUBLIC NEED IS BEST SERVED BY THE CHANGING THE ZONING CLASSIFICATION ON THE PROPERTY UNDER CONSIDERATION

44. Hermiston has a pressing need for more housing, both single family housing and multifamily units.
45. Hermiston also has a critical need for a fifth elementary school which HSD will build on the east 19 acres of the subject property when a bond can be passed to fund the building of that school. A school is a conditional use in an R-3 zone.

EXPLAIN HOW THE PUBLIC NEED IS BEST SERVED BY CHANGING THE CLASSIFICATION OF THE SITE IN QUESTION AS COMPARED WITH OTHER AVAILABLE PROPERTY

46. The subject property is on two major thoroughfares—E. Theater Lane and NE 10th. Consequently, access is better for multifamily residential and single family residential as there is access onto two streets and for the contemplated new elementary school on the East.
47. The west 51 acres owned by HID has access off both E. Theater Lane, and to NE 10th through a 60 foot fee owned leg of property. It is possible that any developer of the 51 acres will build an access road on this 60 foot parcel to NE 10th Street, and the city may require this access either as a private easement or as a public road to allow development of the HID property. The east 19 HSD school property has access off both E. Theater Lane and NE 10th.
48. HSD plans to build its fifth elementary school on the East 19 acres when bonding is approved. This site is excellent for a school because it will front two major streets—E. Theater Lane and NE 10th. That will allow HSD to separate parent traffic and bus traffic by providing access from different arterials—the best way for school traffic to be structured.

EXPLAIN HOW THE POTENTIAL IMPACT UPON THE AREA RESULTING FROM THE CHANGE HAS BEEN CONSIDERED

49. HSD and HID entered into an “Agreement for Exchange of Properties” (Exchange Agreement) which is attached as EXHIBIT 5 of the application packet. In that agreement, HSD and HID agreed to exchange property within the subject property with HSD ending up with the East 19 acres for a new (fifth) elementary school. That exchange has occurred and HSD now owns the East 19 acres of the subject property and HID owns the West 51 acres which includes a 60 foot “leg” of fee owned land from the 51 acres to NE 10th where an access road may be built to service the 51 acres. In the Exchange Agreement, HSD agreed that when it constructs a new elementary school on its 19 acres, it would make street, sewer and water improvements at its sole cost along E. Theater Lane and NE 10th as required by the City of Hermiston before an elementary school could be built.
50. A major impact on the area will be traffic. That is solved by the property being on two major thoroughfares and HSD having to make the above improvements including asphalt on E. Theater Lane with both HSD and HID having access onto E. Theater Lane and NE 10th.
51. The proposed comprehensive plan amendment will not change the functional classification of the affected streets which are Theater Lane and NE 10th. In this case E. Theater Lane is classified as a minor collector and NE 10th St. is classified as a major collector. The potential buildout of the HID and HSD properties will generate trips within the carrying

- capacity of the collector street E. Theater Lane contingent upon improvement of E. Theater Lane to collector standards. HSD will make those improvements to E. Theater Lane.
52. Another major impact resulting from the change will be the need to provide sewer and water to the subject property. Sewer and water are in the street on the Southwest corner of the subject property so it is available and can be extended East along E. Theater Lane for R-3 development on the HID property and to the planned new elementary school on the East 19 acres. The City of Hermiston will require that for a new school to be built on the East 19 acres, that sewer and water be extended all along E. Theater Lane to NE 10, so HSD will have to construct those utilities. Additionally, the Agreement for Exchange of Properties between HID and HSD requires that HSD install all these utilities all along E. Theater Lane at no cost to HID. Consequently HSD will pay for and install all these utilities when it constructs its new elementary school. A sewer lift station probably will be required by the City of Hermiston for HSD to build a new school, and if that is necessary then HSD has agreed with HID that this cost will be solely paid for by HSD.
 53. The City of Hermiston is in the process of building a new water tower to the North on E. Punkin Center Road which will provide good water pressure to the subject property.
 54. HSD plans to build a fifth elementary school as soon as a bond can be passed to finance its construction. A bond voted on about two years ago which would have built this school failed. HSD still has a pressing need for this new elementary school and its construction is a priority with HSD.

Findings on Annexation

1. The City has received consent to annexation from the property owners for approximately 72 acres of land.
2. Notice of public hearing was published in the local newspaper for two consecutive weeks prior to the planning commission hearing on January 23 and 30, 2019. Notices were also posted in four public places in the city for a like period. A notice of proposed land use action was posted on the property on January 23, 2019.
3. Affected agencies were notified.
4. A public hearing of the planning commission was held on February 27, 2019. Comments received at the hearing are incorporated into the planning commission record.
5. The proposal is consistent with all applicable state annexation requirements.
6. Since the property is contiguous to the existing city limits, the annexation is in accord with Comprehensive Plan Policy 4 which promotes compact urban development within and adjacent to existing urban areas to insure efficient utilization of land resources and facilitates economic provision of urban facilities and services.
7. The annexation is consistent with the requirements of Comprehensive Plan Policy 5 relating to annexation.
8. Following co-adoption of the conversion from urbanizable to urban status by Umatilla County, the property is located within the urban portion of the urban growth boundary (UGB) as identified on the comprehensive plan map.
9. Sewer is available to service this property in E Theater Lane. The applicant is responsible for all connection fees.
10. Water is available to service this property in E Theater Lane and NE 10th Street. At the time of development, the applicant is responsible for all connection fees.
11. The property is adjacent to E Theater Lane and NE 10th Street. Neither street is improved to full city standards with full width paving, curb, gutter, sidewalk, and drainage improvements as of the date of annexation. The city will improve E Theater Lane with two paved travel lanes in the 2019-20 fiscal year. At the time each property develops, the

remaining street improvements, including additional paving, curb, gutter, sidewalk, and drainage improvements, will be required by the City.

12. At the time each parcel develops, additional improvements to NE 10th Street, including additional paving, curb, gutter, sidewalk, and drainage improvements, will be required by the city.

Findings on Zoning Designation

1. Following co-adoption of the conversion from urbanizable to urban status by Umatilla County, the property lies within the urban portion of the urban growth boundary and has a comprehensive plan map designation of Medium Density Residential.
2. The proposed Multi-Family Residential zoning designation corresponds with the underlying comprehensive plan map designation.

Conditions of Approval

1. Each parcel will be required to prepare a traffic impact analysis at the time development is proposed. The scope of the analysis will be developed by the city consistent with 157.150(E) of the Hermiston Code of Ordinances.

Commissioner Hamm moved and Commissioner Fialka seconded to approve the Findings of Fact for the conversion and the annexation as written. Motion passed unanimously. Commissioner Caplinger moved and Commissioner Hamm seconded to approve the conditions of approval as presented. Motion passed unanimously. Commissioner Fialka moved and Commissioner Hamm seconded to recommend the city council amend the comprehensive plan map from urbanizable to urban status with a medium density residential plan map designation. Motion passed unanimously. Commissioner Caplinger moved and Commissioner Fialka seconded to recommend the city council annex the land with an R-3 zoning designation. Motion passed unanimously.

HERMISTON CITY COUNCIL

Regular Meeting

March 11, 2019

Public Hearing- Annexation and Conversion 4N2802A Tax Lots 500 & 502 (Ordinances 2271 & 2272)

Hearing no potential conflict of interest, City Planner Clint Spencer read the hearing guidelines and Mayor Drotzmann opened the hearing at 7:24pm.

Mr. Spencer presented the staff report stating the City has received applications for conversion from urbanizable to urban status and for the annexation of approximately 72 acres of land along the north side of E Theater Lane between NE 8th Street and NE 10th Street. One property is approximately 51 acres and owned by the Hermiston Irrigation District, the other is approximately 19 acres and owned by the Hermiston School District.

Proponents

George Anderson stated he is the attorney representing the School District; the School District and Irrigation District would like to swap locations as it is very desirable for schools to have their areas of entrance and exit be on different streets, among other things.

There were no Opponents or Neutral parties who wished to address the Council and the hearing was closed at 7:33pm.

Mr. Spencer outlined the findings of fact. Councilor Davis moved and Councilor Kirwan seconded to approve the finds of fact as written. Motion carried unanimously.

Public Hearing- Comprehensive Plan Map Amendment and Rezone - 4N2814AC Tax Lot 4200 (Ordinance 2273) Hearing no potential conflict of interest, City Planner Clint Spencer read the hearing guidelines and Mayor Drotzmann opened the hearing at 7:37pm.

Mr. Spencer presented the staff report stating the Hermiston Chamber of Commerce has submitted an application to rezone 2 acres of land at the intersection of E Evelyn Ave and S Highway 395 from Multi-Family Residential to Outlying Commercial. The property is owned by Brian and Beverly LaFollette, however, the Chamber has a purchase agreement and plans to construct a new chamber building on the property.

Proponents

George Anderson stated he is the attorney representing the Chamber of Commerce; the site would be a wonderful addition to the area and is better suited for this type of business instead of the current zoning. There is a lot of community support for this project to move forward on this specific property.

Paul Keeler, 4219 SW Kirk, Pendleton- stated he is the Chairman of the Board for the Hermiston Chamber of Commerce. The building, if approved, would house the Chamber offices, Business Center, Business Event Center, and can hold up to 120 participants at one time but can be divided for smaller functions as well. All functions will be business related events and have no plans for private family rental events.

HERMISTON CITY COUNCIL

Regular Meeting

March 11, 2019

Josh Burns, 1014 SE Banker Dr- stated although he is a Chamber Board Member, he is speaking in his role as the General Manager of the Wal-Mart Distribution Center. There is a need for a Work-Force Development Center in Hermiston as the Chamber is proposing with this facility as Wal-Mart DC currently needs 50 more employees, with 100 needed by year end, and another 250 within the next couple of years and this demand only covers one facility. There is an urgent need for work-force development and is pleased the Chamber is taking this on.

Tim Mabry, 78891 Doherty Rd- stated he is the listing realtor for this property and has marketed this property for over a year, without luck, as he has been repeatedly told by multi-family developers that the property is too small for economic multi-family development as there is not enough space to add enough units to justify the costs of development.

There were no Opponents or Neutral parties who wished to address the Council and the hearing was closed at 7:48pm.

Mr. Spencer outlined the findings of fact. Councilor Smith moved and Councilor Kirwan seconded to approve the finds of fact as written. Motion carried unanimously.

Ordinance No. 2271- Amending the comprehensive plan map and zoning map designations for 71 acres of land at the northwest corner of NE 10th Street and E Theater Lane City Planner Clint Spencer gave information regarding Ordinance 2271 as presented during the public hearing.

Mayor Drotzmann requested that the first reading be by title only. Hearing no opposition, City Attorney Gary Luisi read the ordinance by title only. Mayor Drotzmann requested that the ordinance be put on for final adoption at this meeting and that the second reading be by title only. After City Attorney Gary Luisi read the ordinance by title only for the second reading, Councilor Gutierrez moved and Councilor Kirwan seconded that ordinance 2271 be adopted and become effective 30-days after co-adoption by the Umatilla County Board of Commissioners. 7 votes for; none against. Motion carried unanimously.

Ordinance No. 2272- Annexing 71 acres of land at the northwest corner of NE 10th Street and E Theater Lane City Planner Clint Spencer gave information regarding Ordinance 2272 as presented during the public hearing.

Mayor Drotzmann requested that the first reading be by title only. Hearing no opposition, City Attorney Gary Luisi read the ordinance by title only. Mayor Drotzmann requested that the ordinance be put on for final adoption at this meeting and that the second reading be by title only. After City Attorney Gary Luisi read the ordinance by title only for the second reading, Councilor Davis moved and Councilor Gutierrez seconded that ordinance 2272 be adopted and become effective 30-days after co-adoption of City of Hermiston Ordinance No. 2271 by the Umatilla County Board of Commissioners. 7 votes for; none against. Motion carried unanimously.

Exhibit A

Findings of Fact

Hermiston School District/Hermiston Irrigation District Conversion and Annexation

March 11, 2019

THE CHANGE IS IN CONFORMANCE WITH THE COMPREHENSIVE PLAN AND ALSO THE GOALS AND POLICIES OF THE PLAN

Goal 1 (Citizen Involvement) and Policy 1 (Citizen Involvement)

1. Notice of the proposed amendment was published in the Hermiston Herald on January 23, 2019 and February 20, 2019 soliciting comments on the proposed amendment in conformance with 157.229(A) of the Hermiston Code of Ordinances.
2. Notice of the proposed land use action was physically posted on the property on January 23, 2019 in conformance with 157.229(B) of the Hermiston Code of Ordinances.
3. Notice of the proposed land use action was provided by direct mail to all property owners within 300 feet on January 23, 2019 in conformance with 157.229(C) of the Hermiston Code of Ordinances.
4. Comments received as a result of all required publications are incorporated into the record of proceedings.

Goal 2 (Land Use Planning) and Policies 2 (Planning Process), 3 (Intergovernmental Coordination), 4 (Orderly Urban Growth), 5 (Annexation), and 6 (Conversion)

5. The city is required to review its land use designations and supply adequate amounts of all zoning types.
6. Developing this property residentially is appropriate due to its proximity to similarly zoned residential development.
7. Notice of the proposed amendment was provided to Umatilla County, DLCD, ODOT, the Hermiston Irrigation District, the Hermiston School District, and the Confederated Tribes of the Umatilla Indian Reservation on January 23, 2019.
8. The land is adjacent to existing city limits on two sides (west and south) and promotes compact urban development as it is a logical extension of the city limits.
9. The land is greater than 10 acres in size as required by Policy 6 relating to conversion.

Goal 3 (Agricultural Lands) and Policy 17 (Agriculture and Agriculture Related Economy)

10. The land proposed for amendment is not in cultivation nor has been historically used for agricultural purposes. This policy is not applicable.

Goal 4 (Forest Lands) and Policy 7 (Natural Resources)

11. There are no forest lands within the Hermiston UGB. This goal is not applicable.

Goal 5 (Natural Resources, Scenic and Historic Areas, and Open Space) and Policies 8 (Surface and Groundwater Resources), 9 (Mineral and Aggregate Resources), and 10 (Historic Resources)

12. This property is not identified on the existing Goal 5 inventories in the Hermiston comprehensive plan as having any Goal 5 resources. The property is also not identified on the draft wetlands inventory as subject to any previously unidentified wetlands. This policy is not applicable.

Goal 6 (Air, Water and Land Resources Quality) and Policies 11(Air Quality), 12 (Noise), and 13 (Water Quality)

13. The city is required to comply with state and federal regulations regarding air and water quality in all development permitting per 157.004 of the Hermiston Code of Ordinances. Development is required to preserve natural resource quality as part of the development review and construction process.

Goal 7 (Areas Subject to Natural Hazards) and Policy 14 (Natural Hazards and Development Limitations)

14. The property is identified as an area with excessively well-drained soils on Figure 12 of the Hermiston Comprehensive Plan. As a condition of any development approvals for the property, the city will prohibit the outdoor storage of hazardous chemicals and the underground storage of gasoline and diesel fuel.

Goal 8 (Recreation) and Policy 16 (Parks, Recreation and Open Space)

15. The Hermiston comprehensive plan map and parks master plan each identify areas for future park locations and future park upgrades. This property is not included on either inventory. This policy is not applicable.

Goal 9 (Economic Development) and Policies 18 (General Industrial Development), 19 (Commercial Development), and 20 (General Economic Development)

16. The land proposed for conversion is designated as Future Residential and will be converted to an urban residential designation. The city's housing needs analysis and economic opportunities analysis have both been prepared using the assumption that this land will develop residentially. No further economic analysis is needed as the existing economic analysis was prepared taking this land into account as residential and the determination that there is sufficient commercial and industrial land was made.

Goal 10 (Housing) and Policies 21 (Housing Availability and Affordability) and 22 (Neighborhood Quality)

17. The proposed R-3 designation offers housing options and uses which are similar to those permitted in the R-4 and R-3 zoning which is directly adjacent to the tract to the west and south. R-3 permits single-family, duplex, and multi-family uses as outright uses.
18. The R-3 zoning will permit a range of residential uses allowing the city to provide a variety of housing options.
19. Nineteen acres of the site are owned by the Hermiston School District and are likely to develop as an elementary school. Schools provide opportunities for open space and are generally considered compatible with residential development, especially when located within walking distance of existing housing.

Goal 11 (Public Facilities) and Policies 23 (Provision of Public Services and Facilities), 24 (Water, Sewer, and Storm Drainage), 25 (Solid Waste), 26 (Schools), 27 (Police Protection), 28 (Fire Protection), 29 (Local Government Services and Facilities), and 30 (Private Utilities)

20. The city has a planned construction of water services and a municipal water tower near this site is in the bidding stage and construction will be completed by the end of 2019.
21. Sewer services are adjacent to the southwest corner of the site and additional extensions of the sewer system are planned for E Theater Lane as part of the Cimarron Terrace development to the south.
22. Initial reviews of the capacity of the existing utility network indicates it is capable of serving the potential buildout of the tract.
23. All storm water will be retained within the boundaries of the tract. There is no city-wide storm water retention and disposal system.
24. Private development such as multi-family housing and schools will be required to maintain all storm water on private property and within the boundary of the development site.
25. Local streets created to service the internal circulation of the site will retain storm water within the right-of-way using a system of catch basins and drywells, or a system of storm water swales.
26. The city encourages all citizens to utilize Sanitary Disposal for solid waste services. The city provides collection points for recycling at two locations in the city.
27. The comprehensive plan identifies a need for a new school within the boundaries of this tract and one is under consideration by the school district who is a party to the application.
28. The Hermiston Police Department has reviewed the proposal and is able to provide police services to future development.
29. The Umatilla County Fire District #1 has reviewed the proposal and is able to provide fire protection to future development. All public streets and private development will be required to provide fire hydrants in compliance with fire standards and fire sprinklers if the scale of building warrants sprinkling.
30. The city has prepared capital improvement plans for the water, sewer, and street systems for the city. Capital improvements are planned for this area in both water and street infrastructure.
31. Private utilities will be extended into this tract at the time of development.

Goal 12 (Transportation) and Policies 31 (Integrated Transportation System), 32 (Rail/Air Transportation), 33 (Alternative Transportation), and 34 (Transportation System Plan)

32. The existing street classifications of major and minor collector streets are consistent with and able to accommodate the trip generations from R-3 and/or public school development.
33. Significant street upgrades will be required at the time development is proposed to bring the existing streets to a construction standard consistent with collector status.
34. Traffic impact analysis will be required to determine the extent of upgrades necessary.
35. Street frontages of all streets will be approved to the applicable city standard for each street classification at the time development occurs.
36. There are no rail or air transportation services available at this location. This policy is not applicable.
37. Sidewalks will be required on all streets as a condition of development in accordance with Policy 33.
38. The city has an adopted and acknowledged transportation system plan.

Goal 13 (Energy Conservation)

39. Goal 13 requires land to be developed in a manner that maximizes energy conservation based upon sound economic principles through efficient use of density and mixing of uses.
40. The proposed R-3 zoning is the densest zoning available in the city. This creates the densest possible residential development potential.
41. The site incorporates a public school within walking distance of existing housing units to further reduce the need for vehicle trips.

Goal 14 (Urbanization)

42. The property is located within the urbanizable portion of the urban growth boundary consistent with Goal 14. Goal 14 directs cities and counties to provide urbanizable land and provide a mechanism for the orderly conversion of land from urbanizable to urban status. The applicant has submitted applications to convert the land from urbanizable to urban status. The land is adjacent to city limits and utilities and is ready for conversion at this time.

Goal 15 (Willamette River Greenway), Goal 16 (Estuarine Resources), Goal 17 (Coastal Shorelands), Goal 18 (Beaches and Dunes), and Goal 19 (Ocean Resources)

43. Goals 15, 16, 17, 18, and 19 are geographically based statewide planning goals intended to protect specific, identified natural resources. None of the resources under these goals are within the Hermiston planning area. Goals 15, 16, 17, 18, and 19 are not applicable.

DESCRIBE THE PUBLIC NEED FOR THE COMPREHENSIVE PLAN AMENDMENT AND WHETHER THAT PUBLIC NEED IS BEST SERVED BY THE CHANGING THE ZONING CLASSIFICATION ON THE PROPERTY UNDER CONSIDERATION

44. Hermiston has a pressing need for more housing, both single family housing and multifamily units.
45. Hermiston also has a critical need for a fifth elementary school which HSD will build on the east 19 acres of the subject property when a bond can be passed to fund the building of that school. A school is a conditional use in an R-3 zone.

EXPLAIN HOW THE PUBLIC NEED IS BEST SERVED BY CHANGING THE CLASSIFICATION OF THE SITE IN QUESTION AS COMPARED WITH OTHER AVAILABLE PROPERTY

46. The subject property is on two major thoroughfares—E. Theater Lane and NE 10th. Consequently, access is better for multifamily residential and single family residential as there is access onto two streets and for the contemplated new elementary school on the East.
47. The west 51 acres owned by HID has access off both E. Theater Lane, and to NE 10th through a 60 foot fee owned leg of property. It is possible that any developer of the 51 acres will build an access road on this 60 foot parcel to NE 10th Street, and the city may require this access either as a private easement or as a public road to allow development of the HID property. The east 19 HSD school property has access off both E. Theater Lane and NE 10th.
48. HSD plans to build its fifth elementary school on the East 19 acres when bonding is approved. This site is excellent for a school because it will front two major streets—E. Theater Lane and NE 10th. That will allow HSD to separate parent traffic and bus traffic by providing access from different arterials—the best way for school traffic to be structured.

EXPLAIN HOW THE POTENTIAL IMPACT UPON THE AREA RESULTING FROM THE CHANGE HAS BEEN CONSIDERED

49. HSD and HID entered into an "Agreement for Exchange of Properties" (Exchange Agreement) which is attached as EXHIBIT 5 of the application packet. In that agreement, HSD and HID agreed to exchange property within the subject property with HSD ending up with the East 19 acres for a new (fifth) elementary school. That exchange has occurred and HSD now owns the East 19 acres of the subject property and HID owns the West 51 acres which includes a 60 foot "leg" of fee owned land from the 51 acres to NE 10th where an access road may be built to service the 51 acres. In the Exchange Agreement, HSD agreed that when it constructs a new elementary school on its 19 acres, it would make street, sewer and water improvements at its sole cost along E. Theater Lane and NE 10th as required by the City of Hermiston before an elementary school could be built.
50. A major impact on the area will be traffic. That is solved by the property being on two major thoroughfares and HSD having to make the above improvements including asphalt on E. Theater Lane with both HSD and HID having access onto E. Theater Lane and NE 10th.
51. The proposed comprehensive plan amendment will not change the functional classification of the affected streets which are Theater Lane and NE 10th. In this case E. Theater Lane is classified as a minor collector and NE 10th St. is classified as a major collector. The potential buildout of the HID and HSD properties will generate trips within the carrying capacity of the collector street E. Theater Lane contingent upon improvement of E. Theater Lane to collector standards. HSD will make those improvements to E. Theater Lane.
52. Another major impact resulting from the change will be the need to provide sewer and water to the subject property. Sewer and water are in the street on the Southwest corner of the subject property so it is available and can be extended East along E. Theater Lane for R-3 development on the HID property and to the planned new elementary school on the East 19 acres. The City of Hermiston will require that for a new school to be built on the East 19 acres, that sewer and water be extended all along E. Theater Lane to NE 10, so HSD will have to construct those utilities. Additionally, the Agreement for Exchange of Properties between HID and HSD requires that HSD install all these utilities all along E. Theater Lane at no cost to HID. Consequently HSD will pay for and install all these utilities when it constructs its new elementary school. A sewer lift station probably will be required by the City of Hermiston for HSD to build a new school, and if that is necessary then HSD has agreed with HID that this cost will be solely paid for by HSD.
53. The City of Hermiston is in the process of building a new water tower to the North on E. Punkin Center Road which will provide good water pressure to the subject property.
54. HSD plans to build a fifth elementary school as soon as a bond can be passed to finance its construction. A bond voted on about two years ago which would have built this school failed. HSD still has a pressing need for this new elementary school and its construction is a priority with HSD.

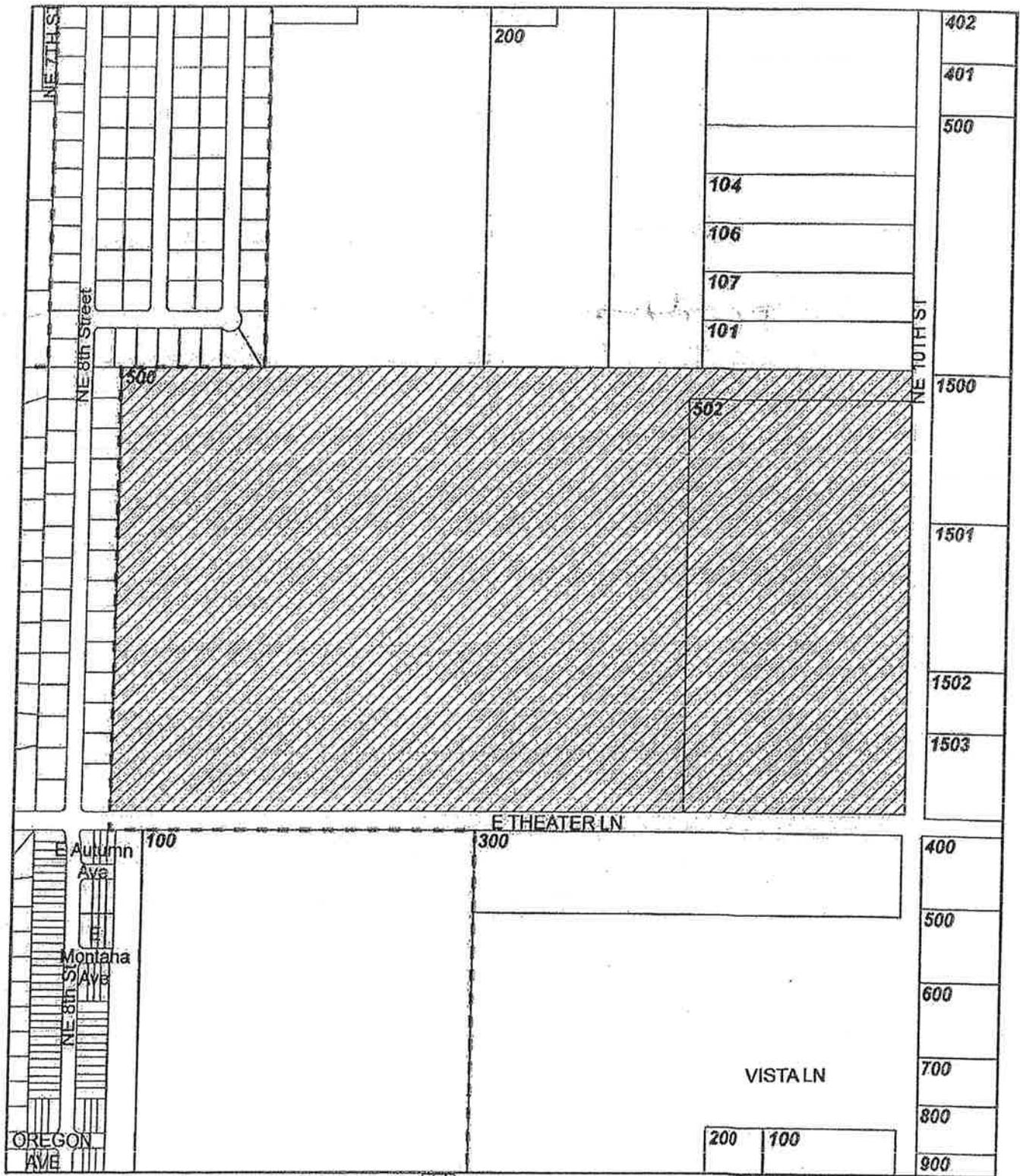
Draft Findings on Annexation

1. The City has received consent to annexation from the property owners for approximately 72 acres of land.
2. Notice of public hearing was published in the local newspaper for two consecutive weeks prior to the planning commission hearing on January 23 and 30, 2019. Notices were also

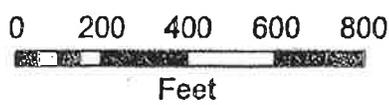
- posted in four public places in the city for a like period. A notice of proposed land use action was posted on the property on January 23, 2019.
3. Affected agencies were notified.
 4. A public hearing of the planning commission was held on February 27, 2019. Comments received at the hearing are incorporated into the planning commission record.
 5. Notice of public hearing was published in the local newspaper for two consecutive weeks prior to the city council hearing on February 20 and 27, 2019. Notices were also posted in four public places in the city for a like period.
 6. A public hearing of the city council was held on March 11, 2019. Comments received at the hearing are incorporated into the city council record.
 7. The proposal is consistent with all applicable state annexation requirements.
 8. Since the property is contiguous to the existing city limits, the annexation is in accord with Comprehensive Plan Policy 4 which promotes compact urban development within and adjacent to existing urban areas to insure efficient utilization of land resources and facilitates economic provision of urban facilities and services.
 9. The annexation is consistent with the requirements of Comprehensive Plan Policy 5 relating to annexation.
 10. Following co-adoption of the conversion from urbanizable to urban status by Umatilla County, the property is located within the urban portion of the urban growth boundary (UGB) as identified on the comprehensive plan map.
 11. Sewer is available to service this property in E Theater Lane. The applicant is responsible for all connection fees.
 12. Water is available to service this property in E Theater Lane and NE 10th Street. At the time of development, the applicant is responsible for all connection fees.
 13. The property is adjacent to E Theater Lane and NE 10th Street. Neither street is improved to full city standards with full width paving, curb, gutter, sidewalk, and drainage improvements as of the date of annexation. The city will improve E Theater Lane with two paved travel lanes in the 2019-20 fiscal year. At the time each property develops, the remaining street improvements, including additional paving, curb, gutter, sidewalk, and drainage improvements, will be required by the City.
 14. At the time each parcel develops, additional improvements to NE 10th Street, including additional paving, curb, gutter, sidewalk, and drainage improvements, will be required by the city.

Draft Findings on Zoning Designation

1. Following co-adoption of the conversion from urbanizable to urban status by Umatilla County, the property lies within the urban portion of the urban growth boundary and has a comprehensive plan map designation of Medium Density Residential.
2. The proposed Multi-Family Residential zoning designation corresponds with the underlying comprehensive plan map designation.



-  Area of Proposed Conversion and Annexation
-  Property Line
-  Urban Growth Boundary
-  City Limits



ORDINANCE NO. 2271

AN ORDINANCE AMENDING THE CITY OF HERMISTON COMPREHENSIVE PLAN MAP TO CONVERT CERTAIN LANDS FROM URBANIZABLE STATUS TO URBAN STATUS LOCATED WITHIN THE URBAN GROWTH BOUNDARY OF THE CITY OF HERMISTON IN ACCORD WITH THE PROVISIONS OF POLICY 6 IN THE CITY'S COMPREHENSIVE PLAN.

THE CITY OF HERMISTON DOES ORDAIN AS FOLLOWS:

SECTION 1. The following described property shall be changed on the city comprehensive plan map, to-wit:

Said Property being described as Parcel 1 and Parcel 2 of Umatilla County Partition Plat No. 2004-02, EXCEPTING the Southerly 10.00 feet of each said Parcel which was dedicated to the City of Hermiston, Oregon for additional right of way for East Theater Lane.

Said Property also being involved in a Property Line Adjustment recorded as Umatilla County Survey No. 2018-028-B.

BEGINNING at the Northwest corner of said Parcel 1; thence South 89°33'33" East along the Northerly line of said Parcel 1 a distance of 501.00 feet to the Northeast corner of said Parcel 1; said Northeast corner also being the Northwest corner of said Parcel 2; thence South 89°34'42" East along the Northerly line of said Parcel 2 a distance of 598.95 feet to a point; thence South 89°34'05" East continuing along the Northerly line of said Parcel 2 a distance of 371.68 feet to a point; thence South 89°34'17" East continuing along the Northerly line of said Parcel 2 a distance of 293.59 feet to a point; thence South 89°33'38" East continuing along the Northerly line of said Parcel 2 a distance of 614.99 feet to the Northeast corner of said Parcel 2; thence South 00°21'07" West along the Easterly line of said Parcel 2 a distance of 1298.22 feet to a point on the Northerly right of way line of East Theater Lane; thence North 89°32'08" West along the Northerly right of way line of said Theater Lane a distance of 2387.83 feet to a point on the Westerly line of said Parcel 1; thence North 00°41'19" East along the Westerly line of said Parcel 1 a distance of 1296.91 feet to the POINT OF BEGINNING.

ALSO INCLUDING the 66 foot right of way for County Road No. 1219 adjacent to the east boundary of said above tract of land.

ALSO INCLUDING the 50 foot right of way for County Road No. 1244 adjacent to the south boundary of said above tract of land.

All being East of the Willamette Meridian, Umatilla County, Oregon;

All land in described in this section shall be designated Medium Density Residential (M).

SECTION 2. The findings of fact as adopted by the City Council on March 11, 2019 are incorporated herein by reference.

SECTION 3. The effective date of this ordinance shall be the thirty days after co-adoption by the Umatilla County Board of Commissioners.

PASSED by the City Council this 11th day of March, 2019,
SIGNED by the Mayor this 11th day of March, 2019.



ATTEST:

Lilly Alarcon-Strong, CMC, CITY RECORDER

Dr. Dave Drotzmann, MAYOR

Application Fee (non-refundable):
The acceptance of the fee does not mean the application is determined to be complete at this time. \$

Assigned Application #: P-124-19

Umatilla County Department of Land Use Planning Land Use Request Application

This application must be submitted to the Umatilla County Department of Land Use Planning, 216 SE 4th ST, Pendleton, OR 97801, (541) 278-6252, and must be accompanied by a non-refundable application fee. Acceptance of the application and fee does not guarantee approval or a Determination of Completeness. PLEASE COMPLETE THIS APPLICATION PRINTING CLEARLY WITH A BLACK INK PEN

Section 1: Type of Application(s) to Submit

Complete the applicable Supplemental Application that corresponds with the application you are submitting.

RECEIVED

MAY 28 2019

UMATILLA COUNTY
PLANNING DEPARTMENT

- Amendment: Comprehensive Plan Text/Map, Zoning Text/Map
- Conditional Use (briefly describe) _____
- Land Division Type I, Type II, Type III, Type IV
- Land Use Decision Farm Dwelling, Non-Farm Dwelling, Lot of Record Dwelling
(OTHER LUD, briefly describe) _____
- Pre-Application Dwellings on resource land (specify) _____
- Variance Lot Size, Setbacks, Other (specify) _____

Section 2: Contact Information

Applicant #1: Hermiston School District ("HSD")
 305 Sw 11th, Hermiston, OR 97838
 Contact: George Anderson, Attorney for HSD
 475 E. Main St., Hermiston, OR 97838
 Telephone: 541-567-7800
 Email: george@andersonhanseil.com

Name of Applicant:

Address:

City, State, Zip:

Telephone Number & Email

Address:

The APPLICANT is the ...

Legal Owner, Contract Purchaser, Agent, Realtor

Name of Current Property Owner(s):

If Property Owner is not the applicant. Same

Address:

City, State, Zip:

Telephone Number:

Section 3: Property Information

Complete for all land use request applications.

1. Location of Property (Provide directions you would give someone to get to the property):

Property is located on the North side of E. Theater Lane between NE 10th on the East, and a new housing development on the West. All bare ground which slopes up to the North.

2. Account Number(s) of Property:

Account # 159153 Map # 4N2802A000502 (HSD)

Account # 135670 Map # 4N2802A000500 (HID)

3. Map Number(s) of Property:

(HSD) Township 4N Range 28 Section 2 Tax Lot 502
02A0

(HID) Township 4N Range 28 Section 2 Tax Lot 500
02A0

Use separate sheet of paper for ENTIRE Legal Description and mark it "Exhibit A".

4. Has the Property or dwelling received a Rural Address? If so, what is it?

Yes

No

5. Current size of the Property:

Note: A "TRACT OF LAND" is contiguous (HSD) Acres 19.09
property within the same ownership. A Tract is

viewed differently at times in terms of land use (HID) Acres 51.93

6. Current Zoning Designation:

There are some 22 zoning designations in Umatilla County.

EFU

GF

Other Zone FU10

7. Comprehensive Plan Designation:

A Comprehensive Plan Designation is different than a Zoning Designation in that it distinguishes land that should be developed for various uses, where zoning actually specifies the uses. There can be multiple zoning designations within a Comprehensive Plan Designation.

Agri-business

Commercial

Grazing/Forest

Industrial

Multi-Use

Urbanizable

North/South Agriculture

Orchard District

Rural Residential

Special Agriculture

West County Irrigation District

8. Buildings on the Property:

None.

9. Current Use of the Property. If the use is farming, explain the types of crops grown.

None

10. Surrounding Uses of the Property. If the use is farming, explain the type of crops grown.

West: New single family residences.

East: Residences with small acreages.

North: Residences with small acreages

South: Vacant land.

11. Does the Property reside in a Floodplain?
If so, a Floodplain Development Permit will need to be completed prior to construction.

- No, the Property is not in a floodplain.
 Yes, the Property is in a floodplain:

Zone _____

Community Number _____

Panel Number _____

12. If the Property is in a Floodplain then is it also located in a wetland as listed on the National Wetlands Inventory maps?

- Yes, provide documentation.
 No, the Property is not in a wetlands

13. How is ACCESS provided to the Property? (i.e. provide name of road that directly serves the Property.) What type of surface does the roadway have?

Name of Road or Lane

NE 10th: 2 lane paved
E. Theater Lane: ~~Gravel~~ to be paved by city this year.

Paved, Gravel, Dirt

14. Will the Property need an Access Permit onto a County Road or State Highway? If so contact the County Public Works Department, 541-278-5424, or ODOT, 541-276-1241.

- Yes, if so please contact the proper authority and provide that documentation
 No, one already exists (provide a copy)

NA. Not county roads or state highway
With annexation E. Theater Lane and NE 10th become city streets

15. EASEMENTS: Are there any easements on the Property that provide the MAIN ACCESS for the Property OR adjacent properties? Are there any other easements on the property? Attach easement documentation.

Attach easement documentation:

- Access easements exist
 Utility line easements exist
 Irrigation easements exist
 Other easements exist: _____
 No, other easements exist.

16. Which Rural Fire District/Department covers your Property with fire protection?

Fire Services:

- East Umatilla
 Echo Rural
 Helix Rural
 Hermiston Rural
 Pendleton FD
 Pilot Rock FD
 Stanfield Rural
 Umatilla Rural

Private Companies:

- Meacham
 Milton-Freewater
(subscriber)
 Tribal
 Not in a RFD
 Other, _____

17. Is the Property within an Irrigation District? If the property is served by an Irrigation District, a confirmation letter from that office discussing any concerns of the proposed development must be submitted with this application.

Irrigation District:

- Hermiston
 Stanfield
 West Extension
 Westland

Hudson Bay or Walla Walla River Irrigation

Not in an ID

Other, _____

HID is applicant. Letter from HID attached.

18. Describe the soils on the Property by listing the map name and land capability. Visit <http://websoilsurvey.nrcs.usda.gov> or contact NRCS at (541) 278-8049.

Map Unit	Description	Class
122B	Quincy Fine Loam Sand	
75E	Winchester sand	

19. What type of water use(s) exist on the Property? If there are none currently, will there be water uses developed in the future?

- No current water uses exist
 Water Uses to be developed:
 New Elementary school; residential units
 Yes, there are water uses
 Domestic Well
 Irrigation Well
 Stock Well
 Other: _____

20. Are there Water Rights on the Property? If there are Water Rights, the water permit, certificate and/or other documentation from the Oregon Water Resources Department shall be included with this application.

- No current water rights exist
 Will apply for Water Rights
 Yes, there are water rights, please provide documentation (permit #, etc.)
 Surface Water Right, # _____
 Ground Water Right, # _____

21. What are the water needs of the proposed development? Provide an explanation that shows how the determination was obtained that shows daily usage of water for the development.

- Expected Water Usage:*
 Exempt Domestic Well (<15,000 gal daily)
 Exempt Commercial Well (<5,000 gal daily)
 Water Right required, estimated number of gallons to be used daily: _____ gallons
 No water is necessary for the development

City water will provide water to new school and residential units.

22. What is the source of your water supply for the proposed development? Please explain your response on a separate sheet of paper.

- Water Source:*
 Surface Water, explanation attached
 Alluvial Groundwater, explanation attached
 Basalt Groundwater, explanation attached
 No water is necessary for the development

City water will provide water to new school and residential units.

23. Who is the provider of the utilities for the Property?

Telephone Various providers

Water well, or city water

Electrical Hermiston Energy Services

Sewer septic, or city sewer

Garbage Disposal Sanitary Disposal, Inc.

24. Provide a description of your proposal (*attach a description if necessary*):

The City of Hermiston on March 11, 2019, annexed the subject properties into the City of Hermiston, and changed its comprehensive plan map to convert the properties from Urbanizable to Urban status with a zoning of R-3 multi family residential.

Section 4: Required Application Materials

25. These materials are to be submitted with the application: The proceeding page is to be used as a base for the site plan. This drawing DOES NOT take the place of any maps required to be submitted by a Licensed Surveyor. This site plan will show what is or will be on the property. Additional material may be requested.

<input checked="" type="checkbox"/>	Materials to be submitted for ALL types of Applications:
<input checked="" type="checkbox"/>	a) Completed Application form.
<input checked="" type="checkbox"/>	b) Applicable Application fees.
	c) Site Plan Marked Exhibit B (see next page) to include:
<input checked="" type="checkbox"/>	• Scale of drawing
<input checked="" type="checkbox"/>	• Site area showing <u>property boundaries</u> and dimensions
<input checked="" type="checkbox"/>	• Proposed and existing <u>structures</u> with dimensions to nearest Property lines
<input checked="" type="checkbox"/>	• Location of existing <u>wells</u>
<input checked="" type="checkbox"/>	• Location of existing <u>septic systems</u> (i.e. tanks, drain fields)
<input checked="" type="checkbox"/>	• Widths and names of <u>roads</u> adjacent to the site as well as existing roads, which provide direct access to the property.
<input checked="" type="checkbox"/>	• Existing <u>access points</u> (driveways, lanes, etc.)
<input checked="" type="checkbox"/>	• <u>Easements</u> and rights-of-ways
<input checked="" type="checkbox"/>	• Existing <u>utility lines</u> (above and below ground)
<input checked="" type="checkbox"/>	• Approximate location of any unusual <u>topographical</u> features.
<input checked="" type="checkbox"/>	• Major <u>geographic</u> features
<input checked="" type="checkbox"/>	• Location of all creeks, streams, ponds, springs and other drainage ways
<input checked="" type="checkbox"/>	d) <u>VICINITY MAP</u> – Assessor’s map of the Property.
<input checked="" type="checkbox"/>	e) <u>Property ASSESSOR’S REPORT</u> showing property details.
<input checked="" type="checkbox"/>	f) <u>The DEED(S)</u> of the Property in question.
<input checked="" type="checkbox"/>	g) <u>Property TAX LOT CARD(S)</u> and description of property.
	Not Provided
<input type="checkbox"/>	h) <u>OVERLAY MAP</u> showing potential re-division of the parcels (if the parcels are large enough to be re-divided). Within the Hermiston Urban Growth Boundary, a formal “Shadow Plat” may be required.
	Not Applicable
<input type="checkbox"/>	i) <u>SUPPLEMENTAL APPLICATION</u> for the land use request will also be required to be submitted with this basic application form. Submit a Supplemental Application if applying for any of the following:
	- Amendment to Comprehensive Plan/Map or Zoning Text/Map
	- Conditional Use
	- Land Division
	- Land Use Decision
	- Variance



Contact County Assessor

Section 5: Certification

Original signatures only, photocopies, faxes, etc. will not be accepted.

APPLICANT: I, the undersigned, swear under penalty of perjury that the above responses are made truthfully and to the best of my knowledge.

Hermiston School District by Tricia Mooney, Superintendent X Tricia Mooney X 5/22/19
X [Signature] 5-20-19
Signature of Applicant Date

Hermiston Irrigation District by Michael Bergstrom, Chairman
X Michael Bergstrom Date: X
Printed Name of Applicant

PROPERTY OWNER(S): ALL property owners to this land use request are to sign, date and print their names verifying that the applicant is authorized to submit the specified land use request. If there are multiple parcels that are part of this land use request, please indicate which parcel you own. This page can be copied if there are more property owners than this space allows. Attach additional page if necessary.

Legal Owner(s) Hermiston School District

Mailing Address 305 Sw 11th, City, State, Zip Hermiston, Or 97838

Parcel Map # 4N R28 Sec 2 tax lot 502

XX Tricia Mooney
Signature of Legal Owner
By Tricia Mooney, Superintendent

X
Signature of Legal Owner

Date

X 5/22/19
Date

* * * * *

Legal Owner(s) Hermiston Irrigation District

Mailing Address 366 E. Hurlburt City, State, Zip Hermiston, OR 97838

Parcel Map # 4N R28 Sec. 2, tax lot 500

X [Signature]
Signature of Legal Owner
Michael Bergstrom, Chairman

X
Signature of Legal Owner

Date X 5-20-19

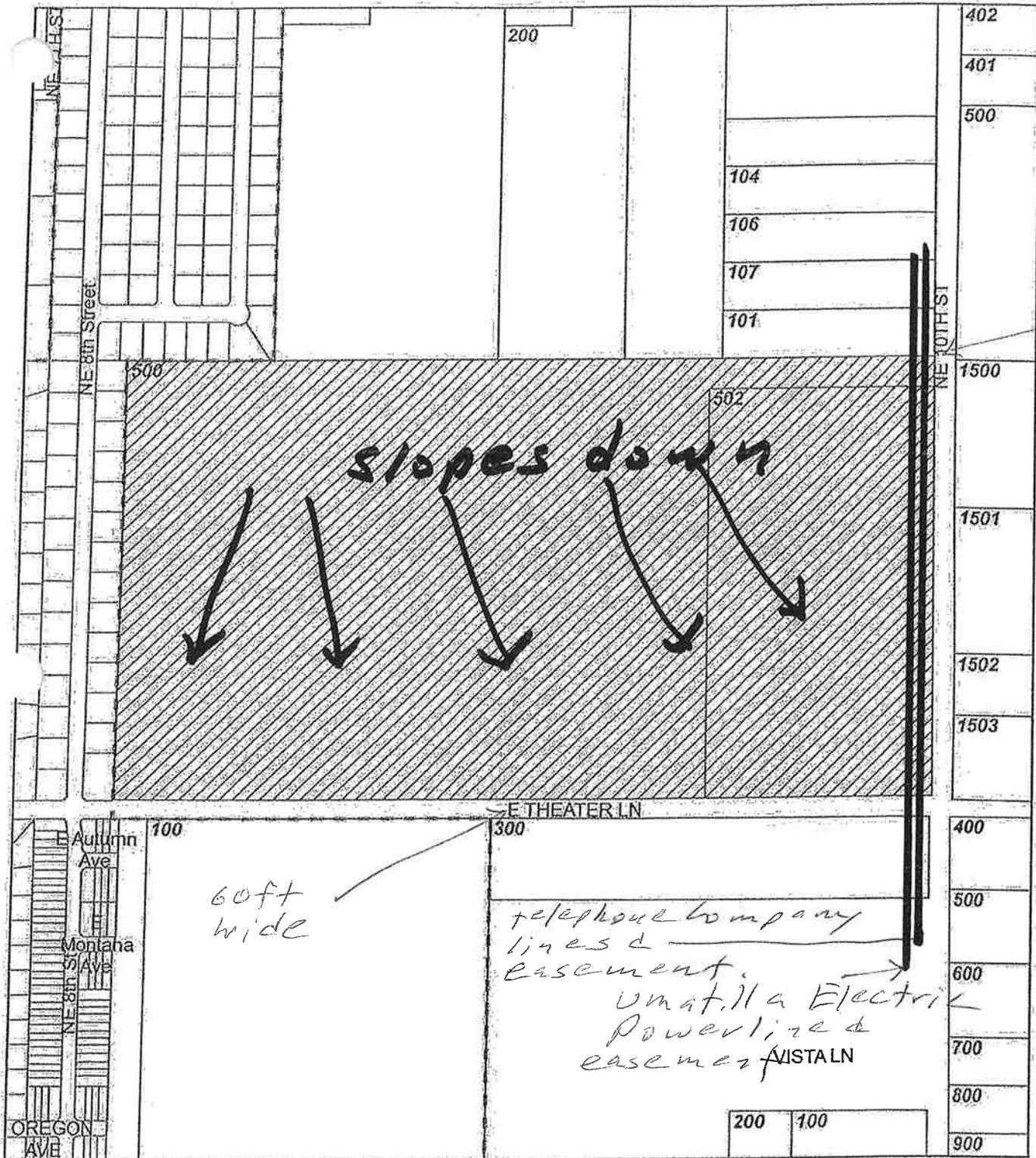
Date

ADDITIONAL PERSON(S) TO SEND NOTICE

Is there anyone else besides the property owner and adjacent property owners who would like to receive notice of this application during its' review period and notice of decision? (Realtor, Prospective Buyer, Attorney, etc.) Provide name and mailing address:

Name: George Anderson, Attorney for HSD
Cameron Bendixsen, attorney for HID

Address: 475 E. Main, Hermiston, OR 97838
245 E. Main St., Suite E, Hermiston, OR 97838



- Area of Proposed Conversion and Annexation
- Property Line
- Urban Growth Boundary
- City Limits

0 200 400 600 800
 Feet

NOTE: No structures, wells, septic systems, access roads, easements or rights of way and no water.

APPLICATION OF:

- (1) Hermiston School District
- (2) Hermiston Irrigation District

P-124-19

Amendments to Map and/or Text

1. Which document is being proposed to be added to, deleted from, or otherwise modified?

This application is made to ask Umatilla County to co-adopt City of Hermiston Ordinance 2271 which amended the City of Hermiston's comprehensive plan map from urbanizable to urban

- Comprehensive Plan Map Amendment
- Comprehensive Plan Text Amendment (includes amendment to the Mineral and Aggregate Significant Site Inventory)
- Development Code Text Amendment
- Zoning Map Amendment

2. If amendments to the Comprehensive Plan Map are being proposed, what is the current designation and what is being proposed?

Current Designation: Urbanizable

Proposed Designation: Urban

3. If amendments to the Zoning Map are being proposed, what is the current zoning and what is being proposed?

Current Zoning: _____

Proposed Zoning: _____

4. If modifying the Development Code text please provide a copy for the proposed language as an attachment.

- Yes, the proposed development code text is attached.
- No, the new development code text has not yet been drafted.

5. What is the current use of the property?

Bare land.

6. Will a Goal Exception be necessary in order to accomplish the desired land use?

- Yes, an Exception is part of this application (see OAR 660, Division 4)
- No, an Exception is not necessary.

7. Describe the desired land use(s):

R-3 Medium Density Residential (Within Hermiston City Limits)

Hermiston School District plans to eventually build a new elementary school on the east 19 acres.

Hermiston Irrigation District plans to eventually sell the property so housing can be built on it.

8. Explain how the Amendment will comply with the Comprehensive Plan text and map.

See Exhibit A.

9. **Transportation** - Explain how the Amendment will comply with the Oregon Transportation Planning Rule (TPR) - OAR 660, Division 12, the County TSP and UCDC §152.019, Traffic Impact Analysis (TIA).

See Exhibit A.

EXHIBIT A

8. Explain how the Amendment will comply with the Comprehensive Plan text and map.

- a. The property is Urbanizable in the county comprehensive plan. It is being changed to Urban.
- b. The property is within the City of Hermiston Urban Growth Boundary.
- c. The subject property is adjacent to the Hermiston City Limits on the West and South.
- d. Adjacent property to the West and Northwest is zoned R4 and is Medium Density Residential.
- e. Adjacent property to the Southwest is zoned R3 and is Medium Density Residential.
- f. The change will promote orderly and compact urban growth as the subject property is adjacent to the city limits on the West and the Southwest which is similarly zoned and Medium Density Residential in the comprehensive plan.
- g. Hermiston has a pressing need for more housing, both single family housing and multifamily units.
- h. Hermiston also has a critical need for a fifth elementary school which HSD will build on the east 19 acres of the subject property when a bond can be passed to fund the building of that school. A school is a conditional use in an R3 zone.

9. Transportation. Explain how the Amendment will comply with the Oregon Transportation Planning Rule (TRP) – OAR 660, Division 12, The County TSP and UCDC Sect 152.019, Traffic Impact Analysis (TIA).

- a. The subject property is on two major thoroughfares—E. Theater Lane and NE 10th. Consequently, access is better for multifamily residential and single family residential as there is access onto two streets and for the contemplated new elementary school on the East.
- b. Both E. Theater Lane and NE 10th become city streets with the city's annexation.
- c. The west 51 acres owned by HID has access off both E. Theater Lane, and to NE 10th through a 60 foot fee owned leg of property. It is possible that any developer of the 51 acres will build an access road on this 60 foot parcel to NE 10th Street, and the city may require this access either as a private easement or as a public road to allow development of the HID property. The east 19 HSD school property has access off both E. Theater Lane and NE 10th.
- d. HSD plans to build its fifth elementary school on the East 19 acres when bonding is approved. This site is excellent for a school because it will front two major streets—E. Theater Lane and NE 10th. That will allow HSD to separate parent traffic and bus traffic by providing access from different arterials—the best way for school traffic to be structured.
- e. HSD and HID entered into an "Agreement for Exchange of Properties" In that agreement, HSD and HID agreed to exchange property within the subject property with HSD ending up with the East 19 acres for a new (fifth) elementary school. That exchange has occurred and HSD now owns the East 19 acres of the subject property and HID owns the West 51 acres which includes a 60 foot "leg" of fee owned land from the 51 acres to NE 10th where an access road may be built to service the 51 acres. In the Exchange Agreement, HSD agreed that when it constructs a new elementary school on its 19 acres, it would make street, sewer and water improvements at its sole cost along E. Theater Lane and NE 10th as required by the City of Hermiston before an elementary school could be built.
- f. A major impact on the area will be traffic. That is solved by the property being on two major thoroughfares and HSD having to make the above improvements including asphalt on E. Theater Lane with both HSD and HID having access onto E. Theater Lane and NE 10th.
- g. The proposed comprehensive plan amendment will not change the functional classification of the affected streets which are Theater Lane and NE 10th. In this case E. Theater Lane is classified as a minor collector and NE 10th St. is classified as a major collector. The potential buildout of the HID and HSD properties will generate trips within the carrying capacity of the collector street E. Theater Lane

contingent upon improvement of E. Theater Lane to collector standards. HSD will make those improvements to E. Theater Lane.

h. Another major impact resulting from the change will be the need to provide sewer and water to the subject property. Sewer and water are in the street on the Southwest corner of the subject property so it is available and can be extended East along E. Theater Lane for R3 development on the HID property and to the planned new elementary school on the East 19 acres. The City of Hermiston will require that for a new school to be built on the East 19 acres, that sewer and water be extended all along E. Theater Lane to NE 10, so HSD will have to construct those utilities. Additionally, the Agreement for Exchange of Properties between HID and HSD requires that HSD install all these utilities all along E. Theater Lane at no cost to HID. Consequently HSD will pay for and install all these utilities when it constructs its new elementary school. A sewer lift station probably will be required by the City of Hermiston for HSD to build a new school, and if that is necessary then HSD has agreed with HID that this cost will be solely paid for by HSD.

i. The City of Hermiston is in the process of building a new water tower to the North on E. Punkin Center Road which will provide good water pressure to the subject property.

j. The City of Hermiston is paving E. Theater Lane this summer and has already started earth work on its sides to widen that road.

k. HSD plans to build a fifth elementary school as soon as a bond can be passed to finance its construction. A bond voted on about two years ago which would have built this school failed. HSD still has a pressing need for this new elementary school and its construction is a priority with HSD.

l. Before HSD can build a new elementary school on its 19 acres, it will have to get a conditional use permit from the City of Hermiston. Before considering that conditional use, HSD will have to obtain a Traffic Impact Analysis that the City requires.

(End)

\\g\hds\annexation\County application\Exhibit A.



July 23, 2019

City of Umatilla Planning Commission
216 S.E. 4th Street
Pendleton, Oregon 97801

Re: City of Hermiston Plan Map Amendment Co-adoption (P-124-19)

Dear Commissioners:

This letter is submitted jointly by Housing Land Advocates (HLA) and the Fair Housing Council of Oregon (FHCO). Both HLA and FHCO are non-profit organizations that advocate for land use policies and practices that ensure an adequate and appropriate supply of affordable housing for all Oregonians. FHCO's interests relate to a jurisdiction's obligation to affirmatively further fair housing. Please include these comments in the record for the above-referenced proposed amendment.

As you know, and as reflected in the staff report, all amendments to the City's Comprehensive Plan and Zoning map must comply with the Statewide Planning Goals. ORS 197.175(2)(a). When a decision is made affecting the residential land supply, the City must refer to its Housing Needs Analysis (HNA) and Buildable Land Inventory (BLI) in order to show that an adequate number of needed housing units (both housing type and affordability level) will be supported by the residential land supply after enactment of the proposed change.

The staff report for the proposed Comprehensive Plan Map Amendment states that Goal 10 criteria are satisfied simply because "The R-3 zoning will permit a range of residential uses allowing the city to provide a variety of housing options". However, Goal 10 findings must demonstrate, with an adequate factual basis, that the proposed changes do not leave the City with less than adequate residential land supplies in the types, locations, and affordability ranges affected. See *Mulford v. Town of Lakeview*, 36 Or LUBA 715, 731 (1999) (rezoning residential land for industrial uses); *Gresham v. Fairview*, 3 Or LUBA 219 (same); see also, *Home Builders*



Assn. of Lane Cty. v. City of Eugene, 41 Or LUBA 370, 422 (2002) (subjecting Goal 10 inventories to tree and waterway protection zones of indefinite quantities and locations). Further, since the purpose of the amendment is to encourage more development, the report should additionally reference the City's HNA to demonstrate the changes the amendment will have on needed housing. Only with a complete analysis showing any gain or loss in needed housing as compared to the BLI can housing advocates and planners understand whether the City is achieving its goals through this Comprehensive Plan Map Amendment.

HLA and FHCO urge the Commission to defer adoption of the proposed Comprehensive Plan Map Amendment until Goal 10 findings are revised in order to provide an adequate factual basis through evaluation under the HNA and BLI. Thank you for your consideration. Please provide written notice of your decision to, FHCO, c/o Louise Dix, at 1221 SW Yamhill Street, #305, Portland, OR 97205 and HLA, c/o Jennifer Bragar, at 121 SW Morrison Street, Suite 1850, Portland, OR 97204. Please feel free to email Louise Dix at ldix@fhco.org or reach her by phone at (541) 951-0667.

Thank you for your consideration.

A handwritten signature in cursive script that reads "Louise Dix".

Louise Dix
AFFH Specialist
Fair Housing Council of Oregon

A handwritten signature in cursive script that reads "Jennifer Bragar".

Jennifer Bragar
President
Housing Land Advocates

cc: Kevin Young (kevin.young@state.or.us)

ANDERSON HANSELL PC

ATTORNEYS AT LAW
475 EAST MAIN STREET
HERMISTON, OREGON 97838-1926
TELEPHONE: (541) 567-7800
FAX: (541) 567-7656
george@andersonhansell.com

George L. Anderson
Sally Anderson-Hansell
Emily Rietmann

July 25, 2019

Umatilla County Planning Commission
ATTN: Suni Danforth, Chairperson
Umatilla County Courthouse
216 S.E. 4th Street
Pendleton, Oregon 97801
Telephone: 541-276-7111
Fax: 541-278-5480
(via email to Elizabeth Ridley, Planner)

Re: Hermiston School District comments countering request of Fair Housing Council of Oregon and Housing Land Advocates of Oregon to delay Planning Commission decision co-adopting City of Hermiston Ordinance 2271 to change the comprehensive plan from “Urbanizable” to “Urban”

Dear Ms. Danforth:

1. I represent the Hermiston School District.
2. The Fair Housing Council of Oregon and the Housing Land Advocates of Oregon have written and asked the Planning Commission to postpone co-adoption of City of Hermiston Ordinance 2271 changing the comprehensive plan from “Urbanizable” to “Urban” saying that the city’s “Housing Needs Analysis” and “Buildable Land Inventory “need to be consulted: “in order to show that an adequate number of needed housing units (both housing type and affordability level) will be supported by the residential land supply after enactment of the proposed change.”

They also claim that your findings must demonstrate:

“that the proposed changes do not leave the City with less than adequate residential land supplies in the types, locations, and affordability ranges affected.”

3. The county Comprehensive Plan had the subject land as “Urbanizable”. It will be “Urban” when annexed to the city. There essentially is no change.

July 25, 2019

Page 2 of 2

4. The county had the property zoned as R-10—Rural Residential 10 acres. The city is annexing the property as R-3 Multi-Family Housing which would allow apartments--including low income housing--fourplexes, triplexes and single family housing. This will make MORE land available for housing, including affordable housing—not less.

5. This is NOT a situation like the LUBA cases cited by FHCO/HLA where land was being changed from residential to industrial—reducing the availability of land for housing. With the annexation of the subject land as R-3, MORE land will be available for all different kinds of housing.

6. As everyone knows, the West End of Umatilla County, especially the Cities of Hermiston and Umatilla, are experiencing dramatic growth in their populations due to the construction of massive data centers, new food processing plants, and other growth. The county’s co-adopting City of Hermiston Ordinance 2271 will IMPROVE the inventory of available land for all kinds of housing—not decrease it.

7. With this letter I attach the City of Hermiston’s “Housing Needs Analysis” and “Buildable Land Inventory” studies and ask that those be placed into the record and considered. I will also question Hermiston School District Superintendent Tricia Mooney about the growth in the Hermiston School District. That growth translates into more need for additional land zoned R-3 to allow a multitude of different types of housing—apartments, fourplexes, triplexes, duplexes, and single family residences.

8. This November, the Hermiston School District is asking its voters to approve an \$82,000,000 bond issue which includes a new elementary school on the 19 acres the school district owns on the subject 72 acres. To delay the co-adoption of City of Hermiston Ordinance 2271 would adversely affect the school district’s efforts to pass that bond issue and build a badly needed elementary school on that site. The 19 acres for the school must be annexed into the city to be built. I also note that the City of Hermiston is in the process of installing sewer and water lines all along the southern boundary of the subject land and this year will pave E. Theater Lane south and adjacent to the lands. It also is finishing construction of a new water tower just north of the subject land.

9. With a new elementary school planned for the subject land, and all the infrastructure improvements, that makes the other 53 acres of the subject land zoned R-3 all the more desirable for the construction of multifamily housing—including more affordable low income housing.

Very truly yours,

ANDERSON HANSELL PC

/s/ GEORGE L. ANDERSON

George L. Anderson

Attorney at Law

L:\gla\letters\Ridley, Elizabeth 7-25-19

- Identify opportunities and incentives to encourage value-adding, family-wage business to expand or locate in the community.
- Support the retention and attraction of firms with high wage rates relative to all industries, or within their industry classification.
- Identify opportunities and incentives to encourage industry related to the area's competitive advantages.

H. HOUSING (GOAL 10)

POLICY 21: HOUSING AVAILABILITY AND AFFORDABILITY

Overview

Population Trends

Current Housing Needs and Supply

Projected Housing Needs

Buildable Lands vs. Future Land Need

Housing Policies and Implementing Actions

Overview

The City of Hermiston is a quickly growing community and important center of population, employment and commerce in Umatilla County. While strong growth is expected to continue over the coming decades, an ample supply of buildable residential lands, in multiple zoning classifications will provide the flexibility to provide a range of housing units of different types and at different price levels.

Population Trends

The City of Hermiston has been one of the fastest-growing jurisdictions in Umatilla County for multiple decades. Between 2000 and 2010, the city has grown at 2.7% for the past 50 years, while the county has grown at 1%. The effect is that Hermiston has grown over time to represent a greater share of the Umatilla County population, growing from 10% in 1960 to 23% in 2010.

Figure 10.1: Population Trends, City of Hermiston (1960 – 2010)

<u>Year</u>	<u>Hermiston City</u>	<u>Umatilla County</u>	<u>City Share</u>
1960	4,402	44,352	10%
1970	4,893	44,923	11%
1980	9,408	58,861	16%
1990	10,047	59,249	17%
2000	13,260	70,850	19%
2010	16,380	72,720	23%
<hr/>			
50-year change:	11,978	28,368	
20-year change:	6,333	13,471	
10-year change:	3,120	1,870	
Annual growth rate (50 year):	2.7%	1.0%	
Annual growth rate (20 year):	2.5%	1.0%	
Annual growth rate (10 year):	2.1%	0.3%	

Source: US Census, Johnson Reid LLC

Current Housing Needs and Supply

The following table presents a profile of housing in Hermiston in 2010. 55% of households own their homes, while 45% rent. Overall housing vacancy is 5.4%.

Figure 10.2: Profile of Households, City of Hermiston (2010)

CURRENT HOUSING CONDITIONS (2010)		SOURCE
Total 2010 Population:	16,745	PSU Pop. Research Center
- Estimated group housing population:	153 (1% of Total)	Claritas Inc.
Estimated Non-Group 2010 Population:	16,592 (Total - Group)	
Avg. HH Size:	2.63	Claritas, US Census
Estimated Non-Group 2010 Households:	6,309 (Pop/HH Size)	
Total Housing Units:	6,649 (Occupied + Vacant)	
Occupied Housing Units:	6,309 (= # of HH)	
Vacant Housing Units:	341	
Current Vacancy Rate:	5.4%	US Census
% of Home Owners:	54.6%	US Census
% of Home Renters:	45.4%	

Source: US Census, Claritas Inc., Johnson Reid LLC

Figure 10.3 presents a comparison of the estimated housing needs of 2010 households, with the estimated 2010 supply of housing units in Hermiston. The estimate of housing needs is based on the propensity of households in specific age and income levels to either rent or own their home (Census).

The estimated affordable price levels presented here assume that an “affordable” housing payment equals 30% of a household’s gross income (HUD standard). The affordable price level for ownership housing assumes 30-year amortization, at an interest rate of 6.5%, with 20% down payment.

Figure 10.3: Profile of Households, City of Hermiston (2010)

Ownership				Rental			
Price Range	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus	Rent	Estimated Current Need	Estimated Current Supply	Unmet (Need) or Surplus
\$0 - 70k	220	1,066	846	\$0 - 375	565	619	54
\$70k - 120k	347	1,736	1390	\$375 - 625	645	1,667	1022
\$120k - 170k	284	624	341	\$625 - 875	433	568	135
\$170k - 240k	645	157	(488)	\$875 - 1,250	476	68	(408)
\$240k - 370k	765	53	(712)	\$1,250 - 1,875	575	67	(509)
\$370k - 490k	426	0	(426)	\$1,875 - 2,500	180	0	(180)
\$490k - 610k	323	0	(323)	\$2,500 - 3,125	83	0	(83)
\$610k - 730k	163	0	(163)	\$3,125 - 3,750	20	0	(20)
\$730k - 980k	61	25	(36)	\$3,750 - 5,000	4	0	(4)
\$980k +	94	0	(94)	\$5,000 +	0	0	0
Totals:	3,326	3,661	335	Totals:	2,982	2,988	6

Occupied Units:	6,309
All Housing Units:	6,649
Total Unit Surplus:	341

Source: US Census, Claritas Inc., Johnson Reid LLC

The results indicate a current surplus of inexpensive ownership units (including mobile home units) and a current need for more units in the median and upper price range. In other words, the 2010 housing stock offers ample lower end units, and insufficient median and higher price units.

These numbers should not be construed as precise but as providing a general picture of the housing environment. However, in general the results indicate that rental need and rental supply are fairly well-balanced, while most vacancies are found in single family homes.

The total surplus reflects the overall 2010 vacancy rate of 5%, which is considered a healthy rate.

Projected Housing Needs

The following table presents a projection of population and household growth to the year 2030. The population is projected to grow from roughly 16,750 (2010) to 25,800 (2030), an increase of 9,050

people, or an annual growth rate of 2.2%.

In 2030 there will be an estimated 9,900 households (not including group-living quarters) and a total of 10,530 housing units. This represents an increase of nearly 3,900 housing units over the 20-year period.

Figure 10.4: Projected Growth in Population and Households, City of Hermiston (2010 - 2030)

PROJECTED FUTURE HOUSING CONDITIONS (2010 - 2030)			SOURCE
2010 Population (Minus Group Pop.)	16,592		PSU Pop. Research Center
Projected Annual Growth Rate	2.2%	Average growth rate '00 - '10	PSU Pop. Research Center
2030 Population (Minus Group Pop.)	25,640	2010 population at projected growth rate	
Estimated group housing population:	194	(2010 share of 2% of Total)	City of Hermiston
Total Estimated 2030 Population:	25,834		
Estimated Non-Group 2030 Households:	9,899	(Est. population / Avg. HH Size)	
New Households 2010 to 2030	3,590		
Avg. HH Size:	2.59	(Projected trend, extended to 2030)	Claritas, Census
Total Housing Units:	10,531	(Occupied Units + Vacant Units)	
Occupied Housing Units:	9,899	(= Number of Households)	
Vacant Housing Units:	632	(Calculated from Vacancy Rate)	
Projected Vacancy Rate:	6.0%	(Historical Average since 1986)	Census, Johnson Reid

Source: US Census, Claritas Inc., Johnson Reid LLC

Figure 10.5 presents the profile of total housing needs of Hermiston households in 2030. The estimate of housing needs is based on the propensity of households in specific age and income levels to either rent or own their home (Census). The estimated affordable price levels presented here assume that an “affordable” housing payment equals 30% of a household’s gross income (HUD standard).

In 2030, 56% of households are projected to own their homes, while 44% are projected to rent. This would be just a slightly greater share of owners than found in 2010.

Figure 10.5: Total Projected Housing Needs, City of Hermiston (2030)

Ownership			
Price Range	# Units	% of Units	Cumulative
\$0 - 70k	353	6.0%	6.0%
\$70k - 120k	501	8.5%	14.5%
\$120k - 170k	422	7.1%	21.6%
\$170k - 240k	896	15.2%	36.8%
\$240k - 370k	1,312	22.2%	59.0%
\$370k - 490k	857	14.5%	73.5%
\$490k - 610k	651	11.0%	84.5%
\$610k - 730k	415	7.0%	91.5%
\$730k - 980k	249	4.2%	95.7%
\$980k +	252	4.3%	100.0%
Totals:	5,908	% of All:	56.1%

Rental			
Rent	# Units	% of Units	Cumulative
\$0 - 375	892	19.3%	19.3%
\$375 - 625	924	20.0%	39.3%
\$625 - 875	641	13.9%	53.2%
\$875 - 1,250	656	14.2%	67.3%
\$1,250 - 1,875	911	19.7%	87.1%
\$1,875 - 2,500	372	8.0%	95.1%
\$2,500 - 3,125	167	3.6%	98.7%
\$3,125 - 3,750	47	1.0%	99.7%
\$3,750 - 5,000	13	0.3%	100.0%
\$5,000 +	0	0.0%	100.0%
Totals:	4,622	% of All:	43.9%

All Units
10,531

Source: US Census, Claritas Inc., Johnson Reid LLC

Figure 10.6 shows the projected new units that would be required by 2030 to meet the need detailed above. These are new units, in addition to the 2010 housing inventory. There is a projected need for nearly 3,900 new units.

Of all the new units needed, the large majority (70%) are projected to be single family types. The remainder will be some form of attached housing. Duplex, tri-plex, or four-plex units are projected to represent 13% of the total need. 17% of all needed units are projected to be multi-family in structures of 5+ attached units.

Needed ownership units are projected to be weighted very heavily towards single-family homes (96%), while rental units are projected to be mostly attached types (63%).

Figure 10.6: New Needed (Additional) Housing Units, City of Hermiston (2030)

OWNERSHIP HOUSING									
Price Range	Single Family	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other	Total Units	% of Units	Cummulative %
Totals:	2,076	33	19	26	0	0	2,154	% All Units:	55.5%
Percentage:	96.4%	1.5%	0.9%	1.2%	0.0%	0.0%	100.0%		

RENTAL HOUSING									
Price Range	Single Family	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other	Total Units	% of Units	Cummulative %
Totals:	641	255	198	634	0	0	1,728	% All Units:	44.5%
Percentage:	37.1%	14.8%	11.4%	36.7%	0.0%	0.0%	100.0%		

TOTAL HOUSING UNITS									
Price Range	Single Family	Duplex	3- or 4-plex	5+ Units MFR	Mobile home	Boat, RV, other	Total Units	% of Units	Cummulative %
Totals:	2,716	288	216	660	0	0	3,881	100%	
Percentage:	70.0%	7.4%	5.6%	17.0%	0.0%	0.0%	100.0%		

Source: PSU Population Research Center, US Census, Claritas Inc., Johnson Reid LLC

Buildable Lands vs. Future Land Needs

The housing units needed to accommodate future population will require sufficient buildable lands to accommodate new housing development. The nearly 3,900 new units will require an estimated 700 acres of residential land.

As Figure 10.7 and 10.8 present, a 2010 inventory of buildable residential lands in Hermiston finds 1,995 vacant buildable acres in a variety of residential zoning designations. This buildable capacity is far in excess of the estimated 20-year need of 700 acres. Therefore there is no current identified need to add residential acreage.

Figure 10.7: Building Capacity of Current Vacant Residential Lands, City of Hermiston (2010)

ZONING DESIGNATION		Net Vacant Buildable Acres	Capacity of Vacant Lands (Units)	Density (Units/ Net Acre) ¹
FU-10	Future Urban, 10-Acre	959.3	3,714	3.9
R-1	Single Family Residential	309.5	1,198	3.9
R-2	Duplex Residential	120.3	762	6.3
R-3	Multi-Family Residential	187.4	2,223	11.9
R-4	Multi-Structural Residential	134.7	2,347	17.4
R-R	Recreational Residential	283.8	1,648	5.8
Totals/Averages:		1995.0	11,893	6.0

Figure 10.8: Projected 20-Year Housing Need, City of Hermiston (2010)

Comp Plan Designation		TOTAL NEW UNITS NEEDED (2030)					Capacity of Vacant Lands (In Units) ¹	Vacant Lands - Total 20-year Need (Surplus)	Net Acreage Needed
		Single Family	Duplex	3- or 4-plex	5+ Units MFR	Total Units			
		2,716	288	216	660	3,881			
FU-10	Future Urban, 10-Acre	380				380	3714	3,335	0.0
R-1	Single Family Residential	1,198				1,198	1198	0	0.0
R-2	Duplex Residential	380	144			524	762	238	0.0
R-3	Multi-Family Residential		144	108	330	582	2223	1,641	0.0
R-4	Multi-Structural Residential			108	330	438	2347	1,908	0.0
R-R	Recreational Residential	759				759	1648	889	0.0
Totals/Averages:		2,716	288	216	660	3,881	11,893	8,012	0.0

Source: Real Urban Geographics, City of Hermiston, Johnson Reid LLC

While strong growth is expected to continue over the coming decades, an ample supply of buildable residential lands, in multiple zoning classifications will provide the flexibility to provide a range of housing units of different types and at different price levels.

Housing Policies and Implementing Actions

POLICY 21: HOUSING AVAILABILITY AND AFFORDABILITY

Nearly 3,900 additional housing units will be required to accommodate Hermiston's projected population growth between 2010 and 2030. As housing choice is influenced both by lifestyle and income, the City should encourage and facilitate the provision of a variety of housing opportunities including single-family detached and attached housing, duplexes, apartments, government-assisted housing, manufactured and mobile homes. The city should encourage the provision of these housing types for both ownership and rental at reasonable prices. Insuring an adequate supply of rental housing, particularly for low income households is an important priority.

THE CITY OF HERMISTON WILL ENCOURAGE THE HOME-BUILDING INDUSTRY TO PROVIDE A VARIETY OF HOUSING OPPORTUNITIES IN SUFFICIENT QUANTITIES AT AFFORDABLE PRICES TO MEET THE HOUSING NEEDS OF ITS RESIDENTS. IN SUPPORT OF THIS GOAL, THE CITY OF HERMISTON ADOPTS THE FOLLOWING POLICIES:

- A) Provision of an adequate supply of housing for low- and moderate-income households is a top priority;
- B) To assure a variety of housing types, the City also places a high priority the provision of sufficient housing opportunities for households at middle to higher income levels;
- C) The City will maintain an adequate supply of land to provide for housing types within the City's residential land use categories consistent with the findings from the adopted housing needs analyses;
- D) The City *may* identify, through an adequate public process, specific areas to become the focus of redevelopment, and/or housing infill opportunities (for instance, the Downtown area);

- E) The City supports the provision of housing for senior citizens and other residents of the city with specialized needs, such as physical disabilities.

IMPLEMENTING ACTIONS

- Has designated an adequate amount of vacant buildable land for all types and densities of residential development on the Comprehensive Plan and zoning maps for the City and urban portion of the UGB. When zoning newly converted urban land, insure a balance between low and medium/high densities based on the updated needs analysis.
- Encourage innovative siting, design, and construction techniques in new residential developments through use of planned unit development (PUD) provisions.
- The City supports public sector and non-profit programs which facilitate the construction of affordable housing for moderate and low income households, and provision of Section 8 housing vouchers. Encourage the Umatilla Housing Authority and other affordable housing providers to integrate government-assisted housing into the fabric of economically diverse neighborhoods and the community as a whole.

POLICY 22: NEIGHBORHOOD QUALITY

City officials recognize the importance of promoting livable, safe and quiet neighborhoods, both in new residential development and in existing neighborhoods. This can be accomplished by minimizing the negative effects of high traffic on neighborhood streets; minimizing conflicts from incompatible design, noise and other factors associated with high-intensity uses; encouraging rehabilitation of housing stock, and updating public facilities in older neighborhoods.

THE CITY OF HERMISTON WILL PROTECT AND ENHANCE THE QUALITY OF LIFE IN RESIDENTIAL NEIGHBORHOODS BY:

IMPLEMENTING ACTIONS

- Designating neighborhood streets as local access streets, rather than arterials or collectors, on the Streets Classification Map.
- Requiring buffering and/or screening between residential neighborhoods and incompatible uses in the zoning code.
- Permitting the location of small shops in neighborhoods. As part of the PUD review or conditional use process, evaluate proposed commercial development in terms of its scale, design, and pedestrian and automobile access to insure compatibility with surrounding residences.
- Enforcing building and fire code provisions and nuisance laws, e.g., by governing junk cars, improving neighborhood safety, health and livability.
- Identifying needed improvements in older neighborhoods including the upgrading of water and sewer systems, streets, sidewalks, storm drainage, and lighting. Utilize the Capital Improvements Plan to schedule improvements as time and funding allow.



Date: February 25, 2004

To: Ed Brookshier, City Manager
Clint Spencer, City Planner
Mike Robinson, City Attorney
CITY OF HERMISTON

From: Steve Ferrarini
HOBSON FERRARINI ASSOCIATES

Subject: Residential Buildable Land Inventory for Hermiston, Oregon

INTRODUCTION

The City of Hermiston engaged Hobson Ferrarini Associates to complete a residential buildable land inventory in a manner consistent with State Law (OAR 660-008-0005). The objectives of this inventory are to:

- Determine the current supply of buildable residential land within the Urban Growth Boundary (UGB);
- Quantify the demand for residential land within the UGB based on forecasted household growth; and
- Reconcile supply and demand to determine whether the City has enough residential land to accommodate the mix of housing types and densities that will be commensurate with the financial capabilities of all income levels during the 20-year planning period.

This report and attachments summarize our key findings and recommendations.

KEY FINDINGS AND CONCLUSIONS

Current Conditions

1. The City of Hermiston is in the midst of the largest residential development boom in its history. From 1960 to 1990 approximately 90 homes were built annually in the City. Over the last five years, the pace of development has increased to nearly 300 homes per year.
2. The current building boom is being driven by the development and operation of the Umatilla Chemical Incinerator, the Wal-Mart Distribution Center, the Two Rivers Correctional Institution, and the Union Pacific Locomotive Repair Shop. These projects have attracted a large number of new residents to the City.
3. Over the last decade the type of homes being built has changed dramatically. In the early 1990s, homebuilders focused on delivering inexpensive homes, mostly rentals, for the construction workers who moved to Hermiston temporarily. Over the last five years, the market has transitioned to primarily single-family, owner-occupied homes for the new, permanent employees of the completed projects.
4. However, the City has an oversupply of product targeted to the low and lower-middle income segments of the market, and an undersupply of homes targeting upper-middle and high income segments, as demonstrated in Table 1 below.

**Table 1:
Market Segmentation (2004 est.)
Hermiston, Oregon**

Income Group	Income Range	Qualified Consumers ^{1/2/}	Units (Owner and Rental) ^{2/}	Over/(Under) Supply
Low	<\$22,000	1,701	2,356	655
Lower Mid	\$22,000-\$40,000	1,383	2,147	763
Upper Mid	\$40,000-\$85,000	1,880	1,225	(658)
High	\$85,000+	606	138	(468)

^{1/} Consumers are qualified for housing assuming they pay 20% to 30% of income on housing costs, depending on income level. See Table 4, Page 13 for home prices and rent levels that correspond to the four income ranges.

^{2/} Based on approved population forecast from Hermiston and the distribution of incomes and housing costs from the 2000 US Census.

Source: US Census and Hobson Ferrarini Associates

Homes are currently being built for upper-middle income residents (homes priced \$125,000 to \$200,000). Examples include homes in nearly all new housing subdivisions currently in the market: Pheasant Run, Desert Shadows, Highland Summit and St. John's Estates, to name a few. These subdivisions do not have any amenities and thus homes are limited to pricing generally at or below \$200,000.

5. In Hermiston, no community has ever been built that satisfies the needs of high-income residents. As a result, many in this segment of the market are buying homes in the Tri-Cities in Washington State. Simply building a large home on a large lot in Hermiston does not satisfy the needs of these consumers. Realtors, builders and developers in both Hermiston and the Tri-Cities regularly stated that the main reason high-income household leave Hermiston to live in

the Tri-Cities is because of the quality of the master-planned communities in the Tri-Cities. The Tri-Cities communities offer residents convenient access to social and recreational activities, ample open space, and the assurance that the quality of the community will stay high based on the type of homes being constructed and deeded Covenants, Conditions and Restrictions (CC&Rs) that will maintain the quality of the neighborhood in perpetuity.

6. National survey research helps explain why high-income buyers are choosing to live in the Tri-Cities. A statistically valid survey¹ of buyer preferences shows that high-income homebuyers rate communities with open space and amenities as extremely important when choosing where to live. In the region around Hermiston, these features are only found in the Tri-Cities, where there are several large master-planned communities that have golf courses, tennis courts, swimming pools and a clubhouse. Examples of these communities include: Canyon Lakes and Columbia Point. Realtors consistently mentioned that these communities are where high-income buyers are choosing to live in the Tri-Cities.
7. According to state law, a jurisdiction is required to provide housing for all income levels. OAR (660-008-0005) states that the City's buildable land inventory needs to accommodate 20 years of household growth with respect to the "*mix of housing types and densities that will be commensurate with the financial capabilities of...all income levels.*" This will include subsidized apartments, manufactured homes, plexes, and site-built, single-family homes of various sizes and price levels.
8. Furthermore, when a variety of housing types are represented in a community, workers need not leave the community where they work to find the needed housing type of their choice. Thus, a community is able to attract a variety of people, creating diversity of citizenship and a diverse tax base.
9. Conversely, the failure of a community to provide land for needed housing types causes communities to fail to maintain its work force, fail to attract business, fail to achieve or maintain diversity of citizenship, unnecessarily burdens social services (or conversely burdens social services in other communities), and contributes to unnecessary vehicle miles traveled outside of the community to find needed housing types. When a community fails to provide an adequate amount of land for higher-income citizens for example, demographics may be created that place a disproportionate burden on social services, without the attendant tax base to support the provision of such services.

Buildable Lands

10. Inside the Hermiston UGB there are approximately 4,200 acres of residential land: 2,061 acres within the city limits and 2,135 acres outside the city designated for future growth (FU-10 land in the UGB). Of this, 62% (or 2,602) acres are already developed. As one would expect, most developed land contains a residence (88%); however, a small portion has been used for other purposes:
 - schools - 6% (155 acres)
 - other government functions - 3% (88 acres)
 - churches - 2% (51 acres)
 - commercial development- 1% (39 acres)

¹ "Community Preferences: What Buyers Really Want in Design, Features and Amenities", (1999) AmericanLIVES, Inc.

11. In the future only 65% of the vacant residentially-zoned land is reasonably likely to be used to build homes. First, one difference between the developed and undeveloped residential land is the large amount of land owned by the federal government, much of which is set aside as permanent open space (see Appendix 3L). Second, a number of vacant residentially zoned lands are owned by schools and other governmental agencies. Finally, some additional encroachment from commercial uses will continue, and some land simply cannot be developed because it is encumbered by BPA power line easements or Bureau of Reclamation irrigation canal easements. A summary of land that has been removed from the buildable land inventory for the aforementioned reasons follows:

- schools - 0.1% (1 acre)
- government owned- 18% (316 acres)
- churches - 6% (128 acres)
- commercial development- 3% (58 acres)
- easements 5% (123 acres)

12. Most of the parcels remaining for future development in Hermiston are small. Approximately 80% are smaller than one acre: 93% are less than five acres in size.

13. Given the size of buildable residential parcels in the Hermiston UGB, it is clear that the city cannot accommodate a master-planned community containing the homes and amenities high-end consumers want. More specifically, for a master-planned community to be competitive with ones in the Tri-Cities, at least 250 acres are needed. At least two-hundred and fifty acres are needed to accommodate the homes, golf course, clubhouse, and the other amenities that are part of these communities in the Tri-Cities (see Exhibit 3.04). Relative to this benchmark, Hermiston's largest buildable parcel is 56 acres.²

14. The limited supply of large buildable parcels will not only thwart development oriented to the higher-end of the market, it will create other problems, including:

- Increasing housing costs: the lack of large parcels will force developers to build on small lots that are more expensive to develop on a per lot basis; and
- Creating neighborhood opposition: Developing homes on the many remnant infill sites that are prevalent in Hermiston will be met with neighborhood resistance, as indicated by the strong resistance to the Hermiston Infill Study.³

² Considering single parcels and parcels that can easily be consolidated based on zoning and ownership.

³ The infill study was not adopted by the City because of this opposition.

Future Need

15. Using methods and data approved by the state, the City of Hermiston needs to accommodate 2,354 new homes over the next 20 years.⁴ State law requires that the City's buildable land inventory be able to accommodate these new homes with respect to:
 - Tenure;
 - Housing types and mix;
 - Densities; and
 - All income levels.

16. An analysis of the City of Hermiston's buildable land inventory finds it is sufficient in all respects except one: it cannot meet the needs of high-income households. To meet the needs of its higher-income residents, Hermiston needs to create a community with the same attributes as those in the Tri-Cities that are attracting buyers from Hermiston. The master planned communities in the Tri-Cities have set the standard for high-income households in the Hermiston region. Any community that targets high-income buyers that does not offer these kinds of amenities will not be successful, simply because high-income households have a choice. The commute from the Tri-Cities is easy and high-income households have the discretionary income to pay the added travel costs.

⁴ Based on the official, adopted population forecast

ECONOMIC AND DEMOGRAPHIC TRENDS

This section summarizes economic and demographic factors that influence the demand for residential land within the Hermiston Urban Growth Boundary (UGB).⁵ Key findings found in this section include:

1. Umatilla County's economy is strong. It not only expanded faster than the national and state economies, but no net job losses have occurred over the last 12 years, despite the current recession.
2. Most employment growth in Umatilla County occurred in and around the City of Hermiston. The four largest projects included: the Umatilla Chemical Incinerator, the Wal-Mart Distribution Center, the Two Rivers Correctional Institution, and the Union Pacific Locomotive Repair Shop.
3. This employment growth, in turn, fueled rapid population growth in the City of Hermiston. From 1990 to 2000, Hermiston's population grew at an average annual rate of 2.9%, compared with 1.8% average annual growth in Umatilla County.⁶ The City currently represents 17% of the County's total population.
4. Continued economic and population growth is expected to occur over the 20-year planning horizon. Job growth is projected to average 1.0% annually. Based on the approved forecast by Umatilla County, the population in Hermiston is forecasted to grow by an average of 1.8% annually over the next 20 years.

Employment Growth

Throughout the 1990s, Umatilla County's economic base expanded at a faster rate than both the national and state economies, posting 2.6% annual average growth. During this time Oregon's economy grew by an average of 2.0% annually, while the national economy expanded at an average rate of 1.5%. Umatilla County's strong economy reflects several key attributes:

- Multiple transportation options, including freeways (I-82 and I-84), rail, and barge traffic on the Columbia River;
- Central location between several prominent Northwest cities, including Portland, Boise, Spokane, Seattle, Yakima, and others;

⁵ Past and present economic trends are based on data for Umatilla County, a good proxy because much of the recent employment growth in the County has occurred in and around Hermiston. Future employment trends are based on forecasts conducted for Umatilla and Morrow Counties (Region 12). Statistics for Umatilla County and Region 12 are used because no statistics are available for the City of Hermiston. Employment information is not published at the city level to protect the confidentiality of individual firms.

⁶ US Census

- Access to two natural gas pipelines;
- Ample and productive agricultural lands; and
- Inexpensive power from the McNary Dam and several co-generation plants.

Another distinguishing characteristic of the local economy is its stability. Over the last 12 years there have been no net jobs losses, despite the current recession. The stability of the local economy is owed in large part to the character and diversity of its economic base. No single industry accounts for more than 30% of total employment. In addition, the three largest employment sectors are in relatively stable industries: services (29.6%), government (23.2%) and manufacturing (13.7%). Although manufacturing is a volatile sector nationally, local manufacturing is more stable because it is based primarily on food processing, which is less impacted by the business cycle.

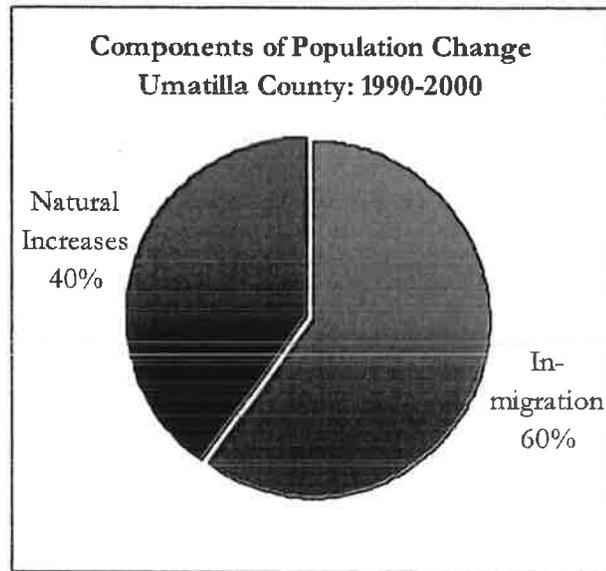
Most employment growth in Umatilla County occurred in the late 1990s. This growth was driven by the construction and subsequent operation of four major projects:

- Two Rivers Correctional Institution (TRCI): A 640,000 square foot minimum security prison located on 42 acres in the City of Umatilla (approximately 7 miles north of Hermiston). This facility is designed to hold 1,600 prisoners and employ up to 500 people.
- Umatilla Chemical Weapons Incinerator: A 189,200 square foot facility built to dispose of the more than 220,000 chemical weapons, or 3,700 tons of agents stored at the Umatilla Army Depot. This project is nearing completion and is expected to become operational by the end of 2003 or early 2004. During the operational phase it will employ up to 800 people.
- Union Pacific Locomotive Maintenance Shop: The Union Pacific maintenance shop located just south of Hermiston replaced similar facilities in Eugene and Salt Lake City. This repair facility totals more than 135,000 square feet and employs approximately 200 people.
- Wal-Mart Distribution Center: Within the City of Hermiston, Wal-Mart operates a 1.2 million square foot distribution facility on a 189-acre site. This facility employs approximately 600 people and serves 35 stores in Alaska, Washington, Oregon, Idaho, Montana, and Utah.

Population and Household Trends

The population in Umatilla County grew at an average annual rate of 1.76% from 1990-2000, just below Oregon's growth rate (1.87%) for the same period. Much of the increase is attributed to immigration of new employees.

Figure 1



The City of Hermiston's population totaled 14,540 persons in 2003, approximately 20% of the county total.⁷ However, over the last ten years it has captured an increasing share of the county's population growth (29%). Hermiston is growing at a faster rate than other parts of Umatilla County because this is where most new job growth is occurring.

Average household size in Hermiston remained largely stable during the 1990s, counter to national trends.⁸ Household sizes did not decrease, because a large number of Hispanic households moved into the City.⁹ From 1990 to 2000, the number of Hispanics in Hermiston increased by 7.47% annually, a rate more than three times faster than the general population. Hispanics now represent nearly 25% of Hermiston's population, compared to approximately 17% in Umatilla and Morrow Counties.

Outlook

The outlook for continued population and employment growth in Umatilla County and the City of Hermiston is excellent. The Oregon Employment Department forecasts that the number of jobs in Umatilla and Morrow Counties will continue to grow over the next ten years at approximately 1.0% annually. Growth will be broad-based and occur in all major employment sectors, except construction and federal government. However, the expected loss of jobs in the construction sector will not occur if any of the co-generation plants being discussed come to fruition. Although Exhibit 1.03 also shows job losses in other manufacturing, these losses will be more than offset by gains in food products manufacturing: for example, potato processing and vegetable canning. As a result, employment levels in the manufacturing sector as a whole (including food products and other manufacturing), are predicted to increase during the next ten years.

⁷ Preliminary estimate from Portland State University.

⁸ In 1990, the average household in Hermiston had 2.58 persons, increasing to 2.63 persons in 2000.

⁹ Hispanic households typically have larger households than non-Hispanic households. For example, Hispanic households in the area have an average of nearly 4 persons per household, compared to approximately 2.5 persons per household in non-Hispanic households.

New jobs will continue to attract residents. The most recently approved population forecast for Hermiston was completed in 1999 by Umatilla County. This forecast projects the population within Hermiston will grow at an average annual rate of 1.8% over the 20-year forecast period. As illustrated in Table 2, this forecast is conservative compared to the rate of population growth that occurred in Hermiston during the last decade.

Table 2
Summary of Historic and Projected Population Growth

	Approved Forecast- Hermiston	Hermiston (1990-2000)	Umatilla County (1990-2000)	Oregon (1990-2000)
Average Annual Growth Rate	1.8%	2.9%	1.8%	1.9%

Source: City of Hermiston, US Census and Hobson Ferrarini Associates

Other demographic trends that will influence housing demand over the next twenty years include:

- *Senior Population Growth* – Over the next two decades the age 65+ population is projected to grow two-and-a-half times faster than the general population, resulting in exceptionally strong demand for senior housing.
- *Decreasing Household Size* – While household sizes in the Hermiston area have been increasing slightly because of the growing Hispanic population, overall household sizes are expected to *decrease* over the 20-year planning period. The decrease will be caused by the aging population and the increasing number of one and two-person households. These trends will more than offset the countervailing trend: growth in large Hispanic households.
- *Increasing Income* – From 1990 to 2000 per capita incomes in Hermiston increased at an average annual rate of 5.8% - well in excess of inflation. This trend is expected to continue into the future, which will increase the number of homeowners in Hermiston and the demand for more expensive homes.

Table 3
Relative Income Growth in Hermiston

	1990	2000	AAGR
Per Capita Income	\$9,726	\$17,075	5.8%
CPI	130.7	172.2	2.8%

Source: US Census, Bureau of Labor Statistics and Hobson Ferrarini Associates

HOUSING DEVELOPMENT TRENDS

This section summarizes the types of housing that have been built in Hermiston since its inception and over the last five years (marginal changes). These trends are an important indicator of the character and magnitude of future housing demand. Key findings found in this section include:

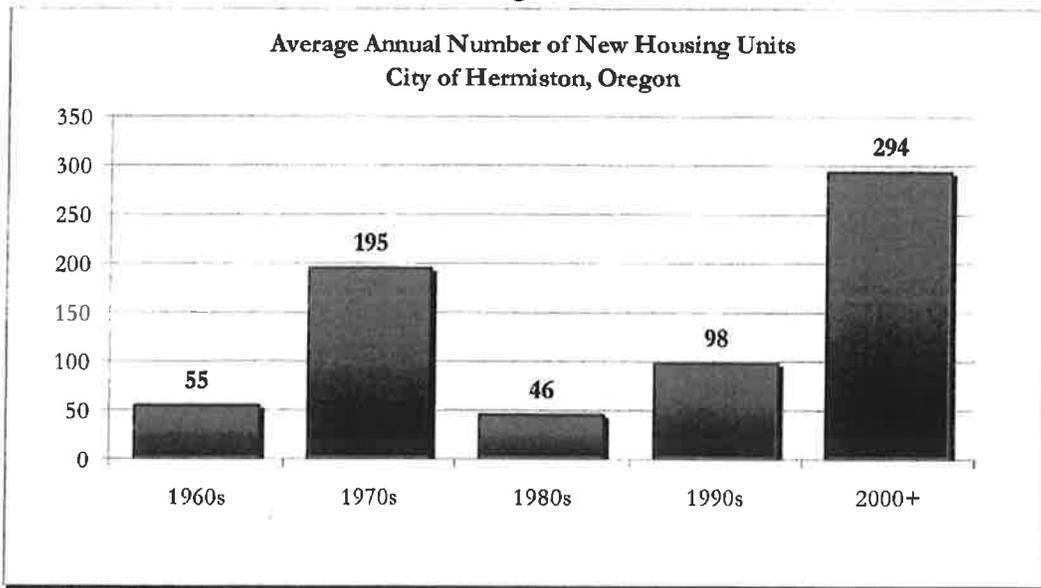
1. The City of Hermiston is in the midst of the largest residential development boom in its history. This boom is being driven by employment growth and historically low mortgage interest rates.
2. Most of the homes built in the early to mid 1990s were rentals built for the construction employees who temporarily lived in Hermiston. Over the last 5 years, primarily owner-occupied single-family homes have been constructed.
3. Relative to incomes, the overall housing stock in Hermiston is inexpensive. The City has an oversupply of homes for low and lower-middle income segments (less than \$40,000 annually). Conversely, the City does not have enough housing for the upper-middle and high income segments.
4. The lack of homes attractive to high-income residents is causing some high wage earners who work in Hermiston to live across the river in the Tri-Cities. High-income households are moving because the Tri-Cities contains master-planned communities that have recreational amenities like a golf course, clubhouse, swimming pool, tennis courts, and ample open space. This type of community does not exist in Hermiston or Umatilla County.

Historic Development Patterns

Despite the fact that the City was founded in 1917, less than 20% of the homes were built before 1960.¹⁰ The housing stock in the City is relatively new because the first development boom in Hermiston occurred in the 1970s, when the area's food processing industry first took root. That boom ended with the 1981/1982 recession. The next development boom occurred in the 1990s, when construction began on the Two Rivers Correctional Institution, the Umatilla Chemical Weapons Incinerator, the Union Pacific Locomotive Maintenance Shop, and the Wal Mart Distribution Center. These projects, and the historically low interest rates, have resulted in the most prolific building boom in Hermiston's history.

¹⁰ As a basis of comparison, 31% of the homes in Oregon were built before 1960.

Figure 2



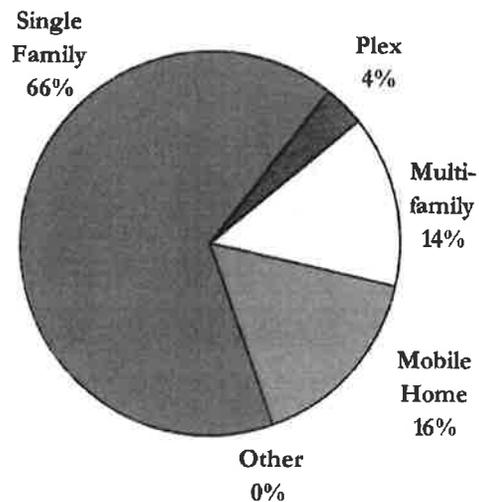
Source: City of Hermiston and Hobson Ferrarini Associates

Recent Development Trends

While the rapid pace of development that started in the mid 1990s has continued through the first half of 2003, the type of homes built during this time has changed dramatically. In the early to mid 1990s, homebuilders focused on delivering inexpensive homes, mostly rentals, for the construction workers who moved to Hermiston temporarily. Mobile homes, apartments and plexes represented more than two-thirds of the homes developed during the first part of that decade.¹¹

Over the last five years, economic and market conditions have changed. Many of the large projects have moved into their operational phase. They now employ people who are more permanent and willing to buy a home. In addition, mortgage rates are at historically low levels, which has made buying a home affordable to a larger segment of the market. These trends have combined to increase the demand for detached, single-family, owner-occupied homes. See Figure 3.

Figure 3
Supply of New Housing Units
(Last Five Years)
Hermiston, Oregon



¹¹ Plex units include attached homes with up to four units per building; multi-family dwellings are attached homes with five or more units per building; and mobile homes include mobile homes, trailers and manufactured homes.

Pricing

To assess the relative cost of housing in Hermiston, the buying power of residents is compared to the cost of homes (renter and owner occupied). On the demand side, this analysis was completed using current household income levels and assuming people pay no more than 30% of their gross income on housing,¹² a standard industry assumption. On the supply side, this analysis is based on housing cost data from the 2000 census, which has been inflated to 2003 dollars using the consumer price index (CPI).

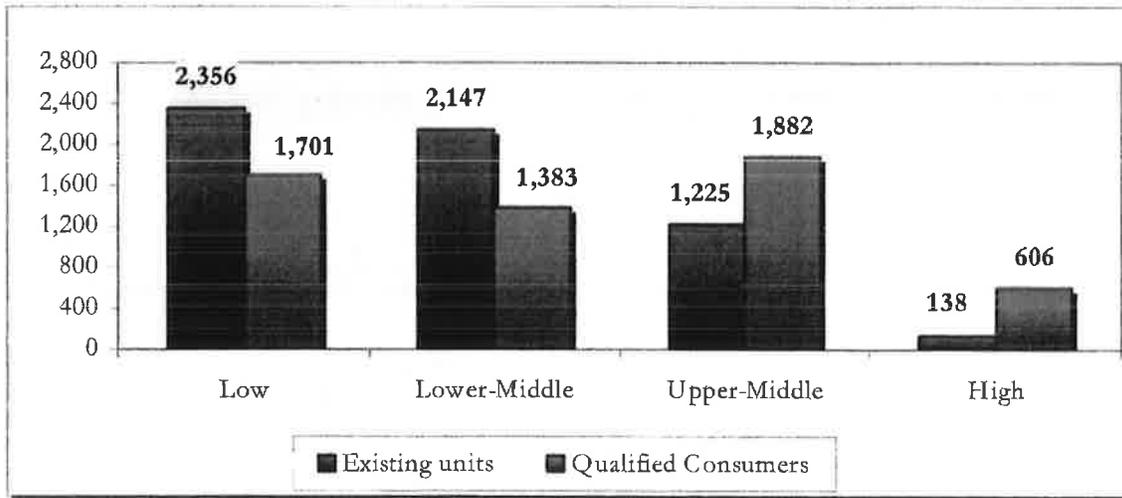
**Table 4
Market Segmentation
Hermiston, Oregon**

Income Group	Income Range	Owner/Renter Split ¹¹	Monthly Rental Range	Home Value Range
Low	<\$22,000	35%/65%	<\$550	<\$70,000
Lower Mid	\$22,000-\$40,000	40%/60%	\$550-\$975	\$70,000-\$125,000
Upper Mid	\$40,000-\$85,000	75%/25%	>\$975	\$125,000-\$200,000
High	\$85,000+	100%/0%	---	\$200,000+

¹¹Based on the 2000 US Census
Source: US Census, ESRI, and Hobson Ferrarini Associates

This analysis shows Hermiston has an oversupply of product targeted to the low and lower-middle income segments of the market, and an undersupply of homes targeting upper-middle and high income segments. Hermiston's unbalanced housing stock, as it relates to affordability levels, is shown in Figure 4 below.

**Figure 4
Qualified Consumers versus Home Price/Rent (2004 est.)
Hermiston, Oregon**



Source: US Census, ESRI, Umatilla County and Hobson Ferrarini Associates

¹² Consistent with reality, this analysis decreases the amount of income spent on housing as follows: < \$22,000 = 30%; \$22,000-\$40,000 = 30%; \$40,000-\$84,000 = 25%; \$85,000+ = 20%.

It is important to note that this analysis is only based on the buying power of Hermiston's current residents. It does not factor in workers who are choosing to live in the Tri-Cities, because conclusive data is not available.¹³ Thus, the need at the upper-middle and high-end of the market is underestimated since some households who can afford homes in these ranges are living in the Tri-Cities.

Although the greatest need in Hermiston is for new homes targeting upper-middle income households, this deficiency is currently being addressed by the local development community. The vast majority of all housing units recently built or under construction in Hermiston are targeted to this group. The following examples are all in active sales. The prices shown reflect the range that most homes in these communities are selling for, although a few homes may sell for prices above or below these typical ranges.

- Pheasant Run (160 homes) - \$90,000 to \$150,000
- Highland Summit/Sandstone (up to 150 homes) - \$90,000 to \$190,000
- St. John's Estates (136 homes) - \$140,000 to \$200,000

There are no existing housing projects in Hermiston that satisfy the needs of high-income households. High-income households want to live in a master-planned community that has appealing homes, ample open space, and convenient access to social and recreational activities. This conclusion is based on local home buying patterns and national consumer surveys.

- Local home buying patterns: Local real estate professionals indicated that some of the highest paid people who work in Hermiston move to the Tri-Cities to live in one of the high-end, master-planned communities that exist on that side of the river. These communities provide large, attractive homes, many on 10,000 to 15,000 square foot lots – attributes that can be duplicated in Hermiston. What makes these communities different and more attractive than communities that exist in Hermiston is the fact that they are built around a golf course, clubhouse, swimming pool and tennis courts. These features provide recreational and social activities and a beautiful backdrop for the community.

One of the communities where high-income households are choosing to live is Canyon Lakes. It is a 640-acre master-planned community in Kennewick that contains over 2,000 homes in 28 subdivisions. Canyon Lakes offers a full range of amenities, including an 18-hole golf course, 18-hole putting course, clubhouse, swimming pool, and tennis courts. New homes in this community sell for an average of \$250,000-\$300,000 and range to over \$1 million. Details on other communities in the Tri-Cities where high-income households are moving are found in Appendix 2B.

- National consumer surveys: National studies of high-income homebuyers help explain the local pattern. They indicate that communities with architectural consistency, ample open space and access to recreational and social amenities within the community are “very” or “extremely” important to high-income households when choosing where to live. Although specific recreational activities like golf or tennis do not rate as high, a golf course itself provides the open

¹³ The Oregon Department of Revenue was contacted to see how many residents of the Tri-Cities pay Oregon income tax. This data is not available.

space and walking trails (when integrated) that these consumers desire. As summary of community preferences for high-income consumers is found in Exhibit 2.06.

Currently, the only option for high-income households in Hermiston is to purchase acreage and build a large custom home. The fact that this option is available and households still prefer to move to the Tri-Cities indicates it is not satisfying the needs of the market. This option is not as desirable for a number of reasons.

- First, the quality of the neighborhood in a master-planned community is consistent based on the type of homes built within the community and guaranteed to remain desirable based on deeded Covenants, Conditions and Restrictions (CC&Rs). Conversely, the value of a large custom home can be impacted by any neighbor who chooses to occupy it with an inferior structure, poor maintenance or outdoor storage.
- Second, access to a variety of recreational amenities within the community.
- Finally, access to planned social activities within the community such as swim teams, golf groups, golf tournaments, and formal dinners and other social activities at the clubhouse.

Given the above, a large home on a large lot in Hermiston is simply not as attractive to most high-end consumers. These consumers have demonstrated a willingness to move the 30 miles away to the Tri-Cities to be in a community with amenities and will continue to do so until a similar community is built in Hermiston.

SUPPLY AND DEMAND

This section compares the supply of vacant, buildable land within the Hermiston Urban Growth Boundary (UGB) to the amount of land needed to meet forecasted demand over the next twenty years. Key findings found in this section include:

1. Based on the approved population forecast, the City of Hermiston will need approximately 2,354 new housing units to accommodate forecasted 20-year population growth.
2. Currently there are 650 acres of buildable residential land within the city limits of Hermiston and an additional 746 acres of buildable land in the UGB available to accommodate growth. State law requires that this inventory of land be able to accommodate growth with respect to:
 - Tenure;
 - Housing types and mix;
 - Densities; and
 - All income levels.
3. With respect to state law, Hermiston's buildable land inventory is sufficient in all respects except one. **It cannot meet the needs of its high-income households.**
4. It cannot meet the needs of high income residents because the vast majority of the parcels in this inventory are small infill parcels: 93% are less than 5 acres in size. The largest buildable parcel in the Hermiston UGB is 56 acres. A 56 acre parcel is not large enough to build a master-planned community with a golf course, tennis courts, and clubhouse: the kinds of amenities found in the Tri-Cities.
5. The master planned communities in the Tri-Cities have set the standard for high-income households in the Hermiston region. Any community that targets high-income buyers that does not offer these kinds of amenities will not be successful simply because high-income households have a choice. The commute from the Tri-Cities is easy and high-income households have the discretionary income to pay the added travel costs.

Supply

According to data from the Umatilla County Tax Assessor Office, there are approximately 4,200 acres of residential land in the Hermiston UGB. To date, 2,602 acres of Hermiston's residential land have been developed, leaving 1,594 gross (no deductions for constraints) acres of vacant residential land. In addition, there are approximately 636 acres of developed residential land that is expected to redevelop during the 20 year forecast period ("redevelopable land"). Combining vacant and redevelopable land leaves Hermiston with 2,233 **gross** acres of buildable residential land.¹⁴

To convert **gross** acres to **net** buildable acres, constrained land which is not likely to be available for residential development was removed from the inventory, including:

1. Environmentally constrained land:
 - Wetlands,
 - Steep slopes,
 - Riparian areas, and
 - Flood plains.
2. Land constrained by easements for BPA power lines and the many irrigation canals that run through the Hermiston UGB;
3. Land owned by government agencies (schools, city, and county) and churches; and
4. Expected encroachment for commercial development.

After deducting the above, there are 1,396 net buildable acres of residential land within the Hermiston UGB. See Exhibits 3.01 through 3.03 for details.

One of the most notable attributes of the Hermiston buildable land inventory is the high percentage of small parcels. Nearly 80% of the buildable parcels inside the UGB are less than an acre; 93% are less than 5 acres in size. The lack of large parcels will have a significant impact on the residential housing market in the future:

- It will prevent a high-end community from being built. To attract high-income households, the City of Hermiston needs to have a community that is comparable to the previously mentioned ones in the Tri-Cities. As discussed later, to be physically and economically possible, this kind of community requires at least 250 acres. The largest buildable parcel in Hermiston is 56 acres.
- It will increase housing costs in Hermiston. The lack of large parcels will force developers either to build on small lots that are more expensive to develop on a per lot basis or to develop FU-10 land which is likely to be more expensive given the need to extend utilities and potentially span irrigation canals.¹⁵

¹⁴ Vacant lands are parcels with no improvements; redevelopable lands are parcels that have an improvement that is worth less than 30% of the land. These guidelines are presented in the DLCDC handbook, Planning For Residential Growth: A Workbook for Oregon's Urban Areas, June 1997.

¹⁵ According to interviews with land builders, vacant parcels larger than approximately 3.5 acres are needed to deliver lots the current market price of \$20,000 to \$30,000. If vacant parcels are smaller than 3.5 acres, the costs associated

- It will likely result in neighborhood opposition, since many of the small parcels are remnant infill sites surrounded by existing development. Neighborhood resistance to infill development is documented in the Hermiston Infill Study. In fact, after strong community opposition, the City rejected the infill study.

Demand

Based on the approved population forecast, the City of Hermiston will need approximately 2,354 new housing units to accommodate forecasted 20-year growth. The housing types, tenure, density, and siting requirements expected over the forecast period are described as follows:

Tenure

The percentage of owners in Hermiston is expected to increase from 55% to 60% over the forecast period. The change reflects the fact that incomes will continue to increase in real, inflation adjusted terms, which increases the amount of discretionary income households have to spend on housing. The change also reflects the increasing age of the population, which is also positively associated with homeownership.

**Table 5
Historic and Forecasted Housing Tenure
Hermiston, Oregon**

Tenure	2000 Census	2003-2023 Projected
Owner	55%	60%
Renter	45%	40%

Source: US Census and Hobson Ferrarini Associates

Housing Types

The expected mix of housing types over the next 20 years is largely consistent with the character of development that has occurred over the last 5 years. A slightly lower percentage of detached single-family homes are expected in the future because interest rates are not expected to stay at historically low levels.

with lot development (sidewalks, utilities, streets, permits, engineering, etc.) cannot be allocated to enough lots which then causes the per-unit costs to exceed the market.

Table 6
Historic and Projected Housing Mix and Densities
Hermiston, Oregon

Housing Type	Existing Housing Mix	5-Year Historic Housing Mix	Future Housing Mix
Single-Family Detached	54%	67%	65%
Single-Family Attached (Plexes)	12%	5%	8%
Manufactured Homes	18%	13%	13%
Multi-Family Homes	15%	15%	14%

Source: US Census, City of Hermiston and Hobson Ferrarini Associates

Density

Development densities are expected to remain largely constant over the forecast period. The City of Hermiston does not have a large enough population base or bad enough traffic congestion to push the market into higher density forms of residential development typically found in larger metropolitan areas.

Table 7
Historic and Projected Housing Mix and Densities
Hermiston, Oregon

Housing Type	5-Year Density History (Units/Acre)
Single-Family Detached	4.2
Single-Family Attached (Plexes)	7.2
Manufactured Homes	7.3
Multi-Family Homes	15.3

Source: City of Hermiston and Hobson Ferrarini Associates

Siting Requirements

The types of sites needed to accommodate “all income levels” in Hermiston are shown in Appendix 3D. Only two segments of the market have specific site requirements. The remainder do not have specific site requirements because a variety of housing types would suit their needs. For example, renters who fall within the lower-middle income price category can afford rents that range from \$550 to \$975 per month. Within this range are apartments, plexes, and single-family homes, found in any residential zone, parcel size, or location in the city. The two market segments that need parcels with specific attributes follow:

1. **Low-Income Renters:** New product (priced less than \$550) targeted to this group will be government assisted housing built with low income housing tax credits. The added legal and accounting costs associated with this funding mechanism can only be offset by development with at least 40 units. At approximately 15 units per acre, this requires a parcel of at least 3 acres.

2. **High-Income Owners:** To be successful, a high-end development in Hermiston needs to have the same kinds of amenities as the new communities being developed for these households in the Tri-Cities. This kind of development requires at least 250 acres for physical and economic reasons. Generally, at least 130 acres are needed to site an 18-hole golf course.¹⁶ The additional land is needed to build the lots that will pay for the amenities. The cost to build a golf course, clubhouse, swimming pool, and tennis courts of average quality typically ranges from \$6-\$8 million, excluding land. As illustrated below, approximately 570 lots are needed if the development costs are \$7,000,000. At three dwelling units per acre (averaging 10,000 to 15,000 square foot lot sizes), this equates to 190 acres. However, if the cost to build the golf course and the other community amenities are lower, the number of lots and the land area needed to support the development would be lower.

Table 8
Example: Economics of Developing a Golf Course Community¹⁷

A. Cost of Amenities	\$7,000,000
B. Base Lot Price	\$35,000
Times: Premium for Golf Course Community	<u>35%</u>
Equals: Added Value of Lots	\$12,250
C. Number of Needed Lots:	
Cost of Amenities	\$7,000,000
Divide: Added Value of Lots	<u>\$12,250</u>
Equals: Approx. Lots to Break Even	570
D. Needed Acres:	
Number of Lots Needed	570
Divide: Units per Acre	<u>3</u>
Equals: Approx. Acres Needed	190

Source: Hobson Ferrarini Associates

¹⁶ Based on interviews with several golf course architects and builders.

¹⁷ This analysis is intended only to be an example; to illustrate the relationship between the number of lots and the cost to develop a golf course community. Individual project economics will vary.

Analysis

Based on the need to accommodate 2,354 housing units of the types, tenure, densities, and income levels previously described, the following conclusions are made with respect to the Hermiston Buildable Land Inventory:

1. Tenure – Hermiston’s buildable land inventory is adequate to accommodate the expected number of owners and renters over the next 20 years, as illustrated in Exhibit 3.08 and summarized in the table below.

**Table 9
Reconciliation of Supply and Demand by Tenure
Hermiston, Oregon**

Tenure	2003-2023 Projected	Needed Units	Capacity of BLI/ Units ^{1/}	Over (Under) Supply/ Units
Owner	60%	1,412	1,633	221
Renter	40%	941	2,790	1,849
TOTAL	100%	2,354	4,423	2,069

^{1/}Includes only buildable land within the city limits (R1 – R4). See Exhibit 3.08.
Source: US Census, Umatilla County and Hobson Ferrarini Associates

2. Expected Mix of Housing Types –Hermiston’s buildable land inventory is also adequate to accommodate the expected mix of single-family (detached and attached), mobile-home, and multi-family development, including government assisted housing over the next 20 years. This analysis is summarized in Exhibit 3.09 and Table 10. While the analysis shows an apparent undersupply of land for single-family detached homes, this deficit can be more than overcome by the 746 acres of buildable FU-10 lands which are not included in this analysis but are available for future development. This means that land that is annexed into the city for residential use should be zoned R1 or R2.

**Table 10
Reconciliation of Supply and Demand by Housing Type
Hermiston, Oregon**

Type	Needed Units	Capacity of BLI/ Units ^{1/}	Over (Under) Supply/ Units
Single Family (detached)	1,530	1,314	(215)
Single Family (attached)	188	1,081	892
Manufactured Homes	306	581	275
Multi-Family Homes	330	1,639	1,310
Government Assisted	188	907	719
TOTAL	2,354	4,615	2,262

^{1/}Includes only buildable land within the city limits (R1 – R4). See Exhibit 3.09.
Source: US Census, Umatilla County and Hobson Ferrarini Associates

3. Density - The City of Hermiston’s buildable land inventory is adequate to accommodate the expected densities over the next 20 years. Current development densities are used to calculate the capacity of buildable land illustrated in Table 10 above, which is more than sufficient to

accommodate forecasted growth. As noted previously current development densities are not expected to change over the next 20 years.

4. Income –As noted previously there are two income groups that have specific site requirements: low income renters and high income home buyers. Due to economic reasons, government subsidized apartments need to be built on lots of at least three acres in size to be economically feasible. There is a forecasted need for 188 government subsidized rental units over the next 20 years. Relative to this level of demand, the Hermiston BLI has a capacity to accommodate approx. 900 units, based on the amount of R4 land that is in parcels of three or more acres.

At least 727 high-end homes are needed in Hermiston given the current deficit and the new need projected over the forecast period.

- Current unmet need¹⁸ – 468 units
- Future need (2004-2024)¹⁹ - 259 units
- Total Potential Demand - 727 units

As previously mentioned, at least 250 acres is needed to develop a high-end community that would be successful in Hermiston. The largest buildable parcel in the Hermiston UGB is 56 acres.²⁰ While larger lots and high-end homes could be developed on this parcel, or one of the few remaining large buildable parcels in Hermiston, this type of development would be at a competitive disadvantage to the master-planned, amenity-enhanced communities in the Tri-Cities. It would therefore not receive strong market acceptance and is most likely why none have been built.

Conclusions

To meet state law, a parcel of at least 250 acres needs to be added to the Hermiston Buildable Land Inventory to meet the needs of high-income residents. In all other respects, the buildable land inventory is sufficient.

The best location to annex a large parcel is on the south end of town because:

- It is generally considered the most attractive part of town and thus, is most naturally suited for a high-end community;
- It has the most land to accommodate residential and commercial growth; and
- It is where the school district has purchased property to accommodate future household growth.

It is not only a state requirement to have the ability to serve all income segments of the market, but as a practical matter, higher-income households benefit a community. The talent, background diversity, and educational mix of some members of higher-income households may well provide

¹⁸ Per Exhibit 2.05

¹⁹ Based on the current income distribution applied to the 20 year forecast.

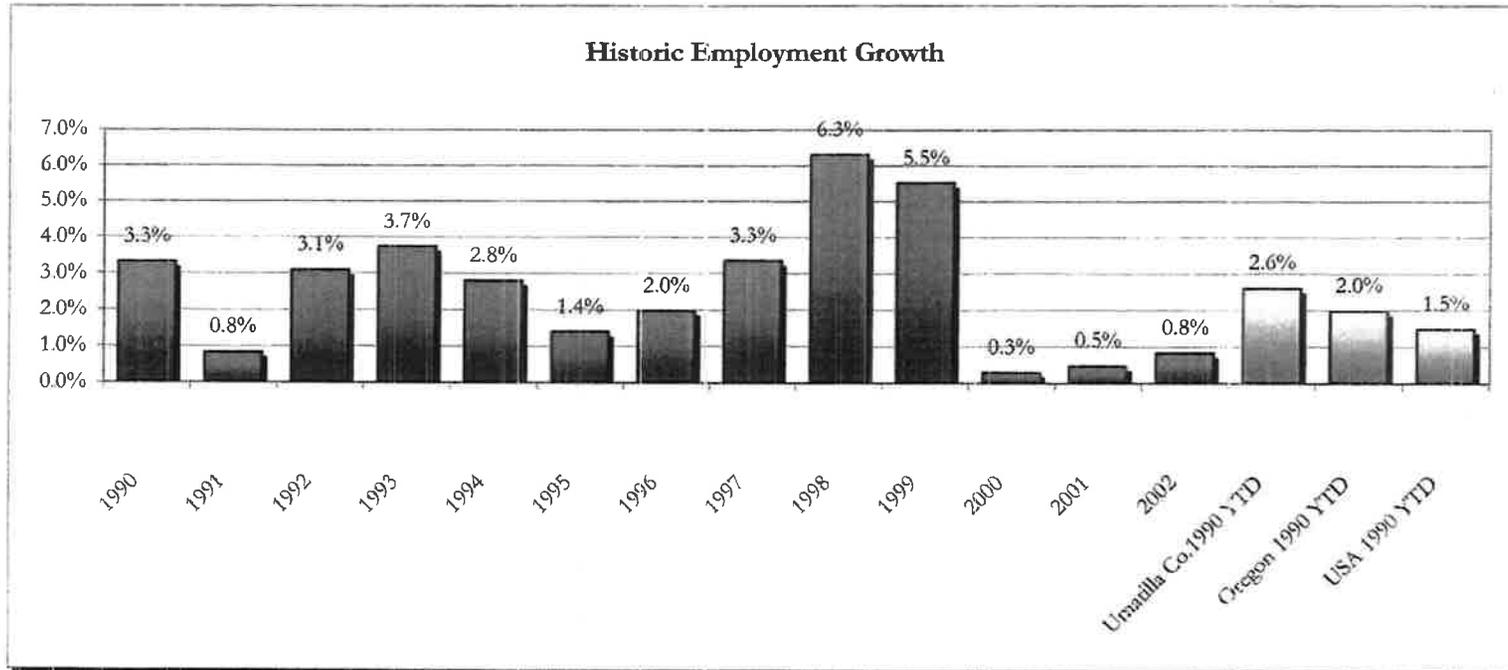
²⁰ Considering single parcels and parcels that can easily be consolidated.

needed resources and valuable services, such as volunteering for community projects and committees, social programs and school boards. Furthermore, high-income households have more discretionary income to support local businesses and charitable organizations. This element of a community's demographic is essential for a rapidly growing community, like Hermiston, and its educational system.

**SECTION 1:
ECONOMIC AND DEMOGRAPHIC OVERVIEW**

EXHIBIT 1.01
EMPLOYMENT GROWTH, UMATILLA COUNTY, OREGON

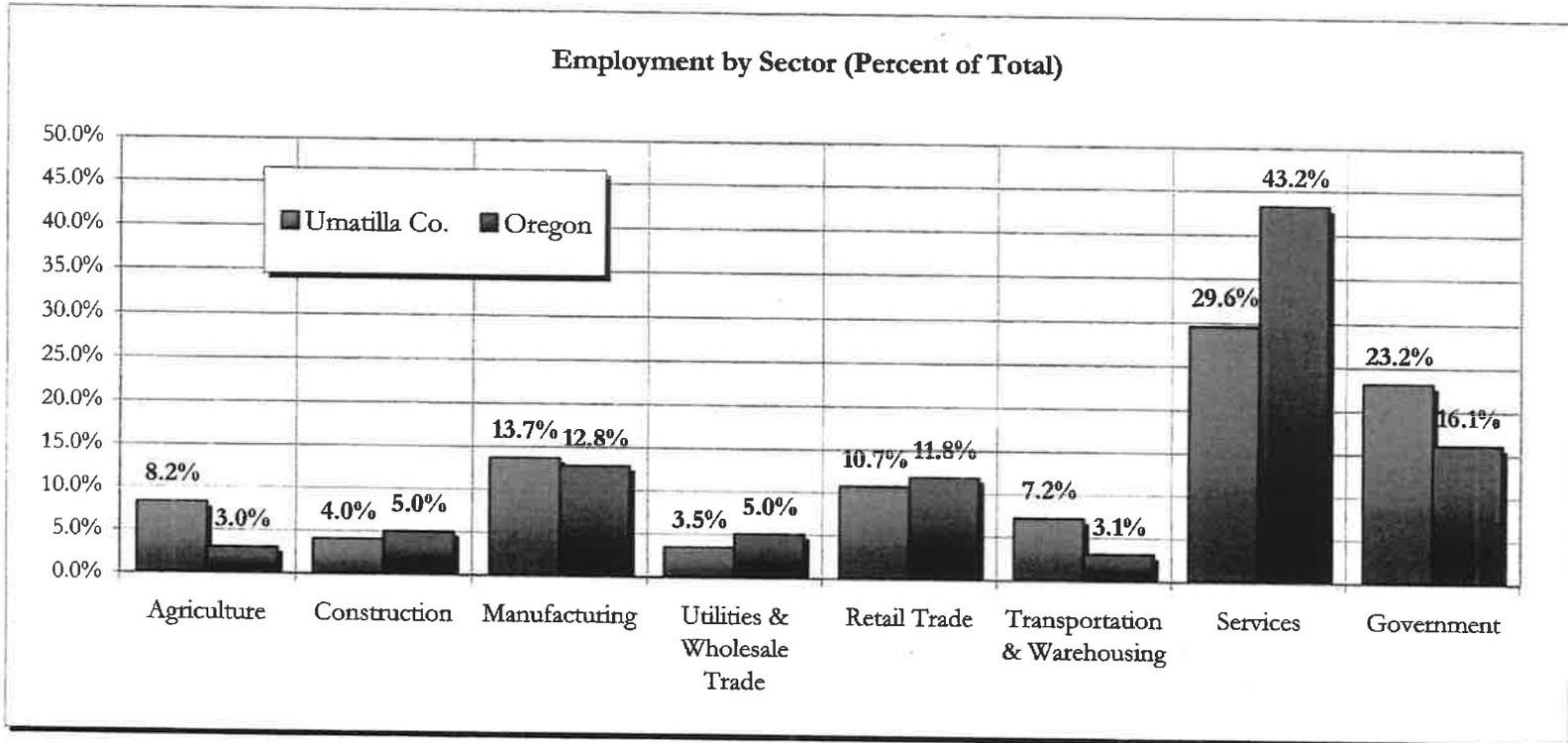
Umatilla County's economy grew rapidly through the 1990s and has continued to grow into the 21st Century, despite the national recession. The county's economic base increased from approximately 21,000 employees in 1990 to 28,000 employees in 2002, reflecting 2.6% average annual growth. The area's economy has not only been expanding rapidly, exceeding growth rates in the US and in Oregon, but it has been stable, with no downturn in 12 years. Many of the largest employers in Umatilla County are located in and around the City of Hermiston, due to its access to a variety of transportation facilities (rail, freeways, and the Columbia River), the confluence of two natural gas pipelines and productive agricultural lands.



Source: Oregon Employment Department, US Department of Labor

**EXHIBIT 1.02
EMPLOYMENT BY SECTOR
UMATILLA COUNTY VS. OREGON**

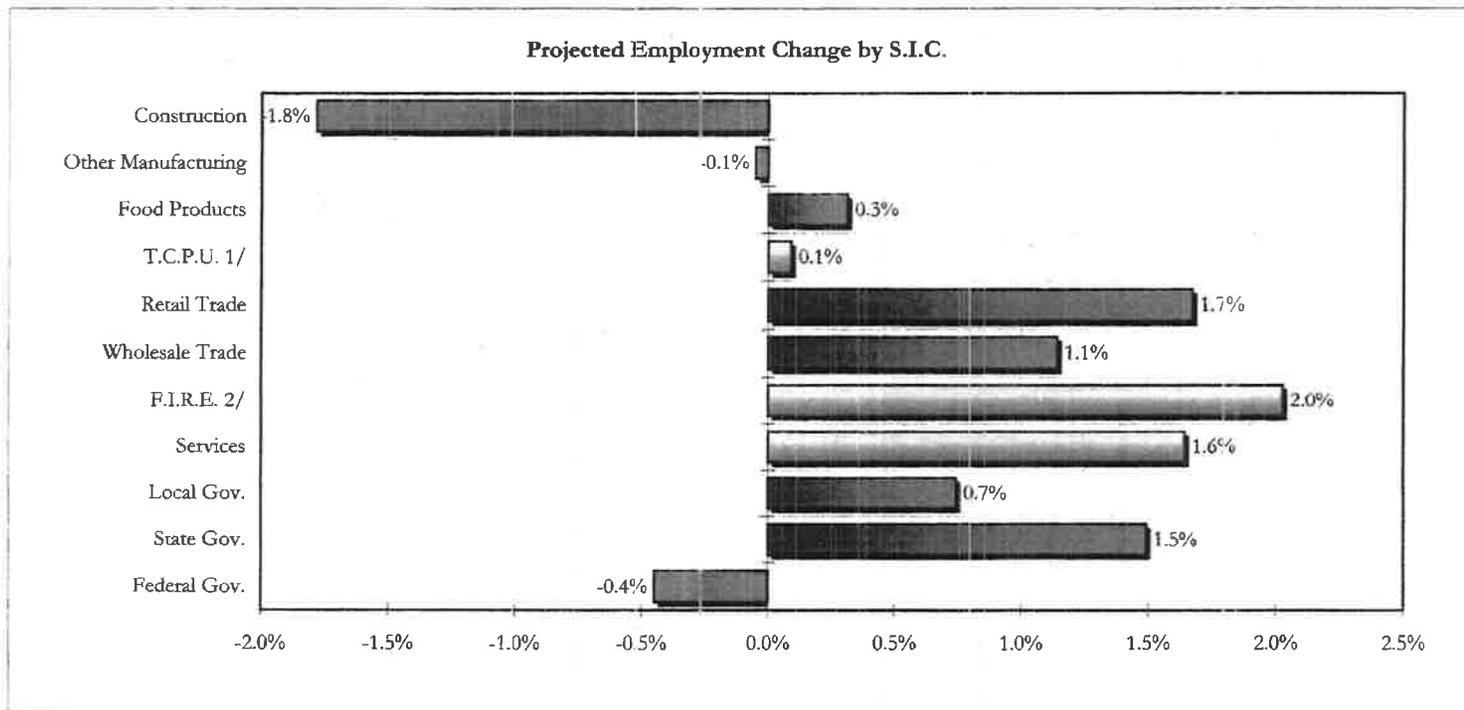
Economic stability in Umatilla County is largely due to the diversity of its jobs base. As illustrated below, Umatilla County has a higher concentration of employment in the relatively stable government, transportation, and agriculture sectors. While it also has a slightly higher concentration of jobs in manufacturing, the sector hardest hit in the current recession, most manufacturing jobs in Umatilla County are in food processing - which has been much more stable than other types of manufacturing, particularly high-tech.



Source: Oregon Employment Department, based on covered employment

**EXHIBIT 1.03
EMPLOYMENT PROJECTIONS
UMATILLA AND MORROW COUNTIES
2000 to 2010**

Over the next ten years, Umatilla and Morrow Counties will continue to grow, according to forecasts completed by the Oregon Employment Department, although at rates that are lower than what occurred in the 1990s. Although job losses are expected to occur in the construction industry, this industry is likely to outperform the forecast if any of the rumored co-generation plants come to fruition. In short, the economic outlook for Umatilla County and Hermiston continues to remain positive - particularly with the expected opening of the chemical weapons incinerator, which is expected to employ as many as 800 people when it is completed later this year or early next year.



1/ Transportation, Communication & Public Utilities

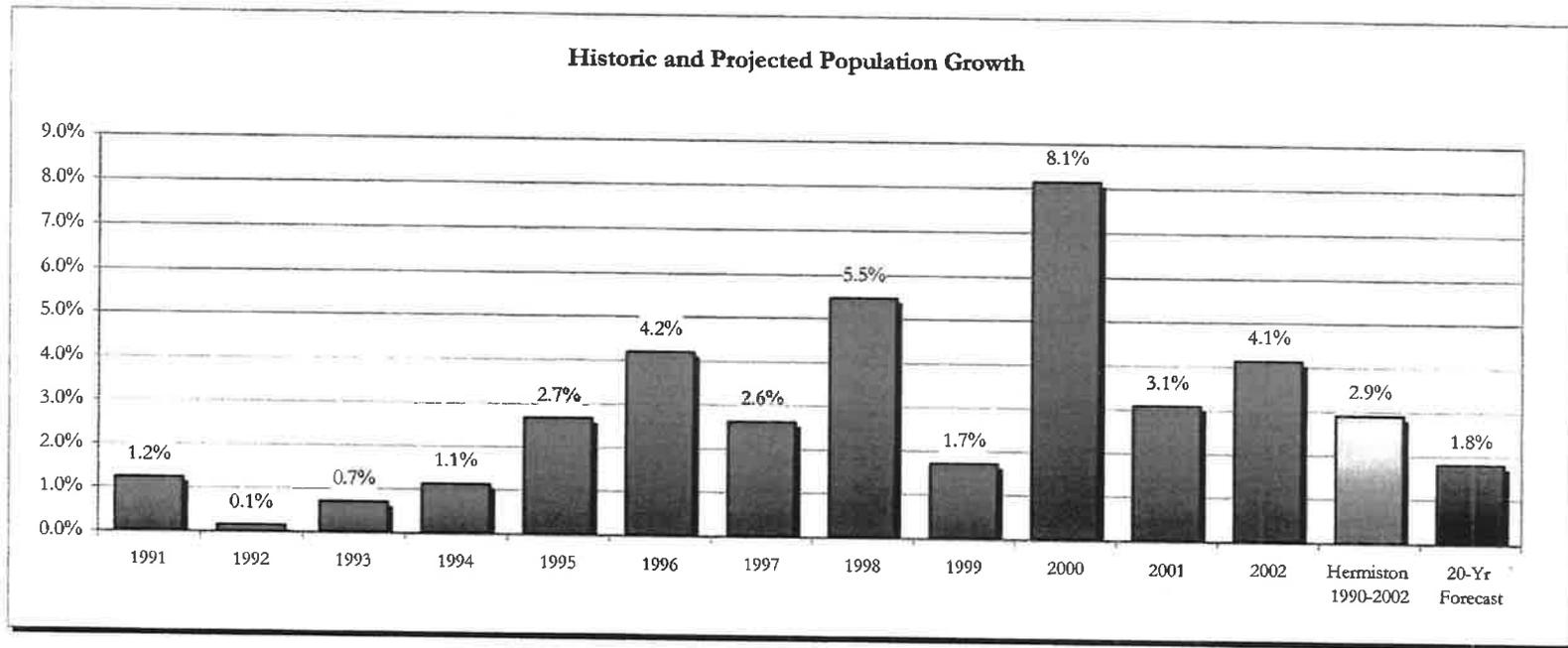
2/ Finance, Insurance, & Real Estate

SOURCE: State of Oregon Employment Division and Hobson Ferrarini Associates

**EXHIBIT 1.04
POPULATION GROWTH
HERMISTON, OREGON**

The City of Hermiston is the fastest growing city with a population of more than 5,000 in Umatilla County. Its population has grown by an average annual rate of 2.9% from 1990 to 2002, nearly double the rate that occurred in Umatilla County and triple Pendleton's rate. Most of this growth (60%-70%) has been driven by job growth, the remainder attributed to natural increases (births minus deaths).

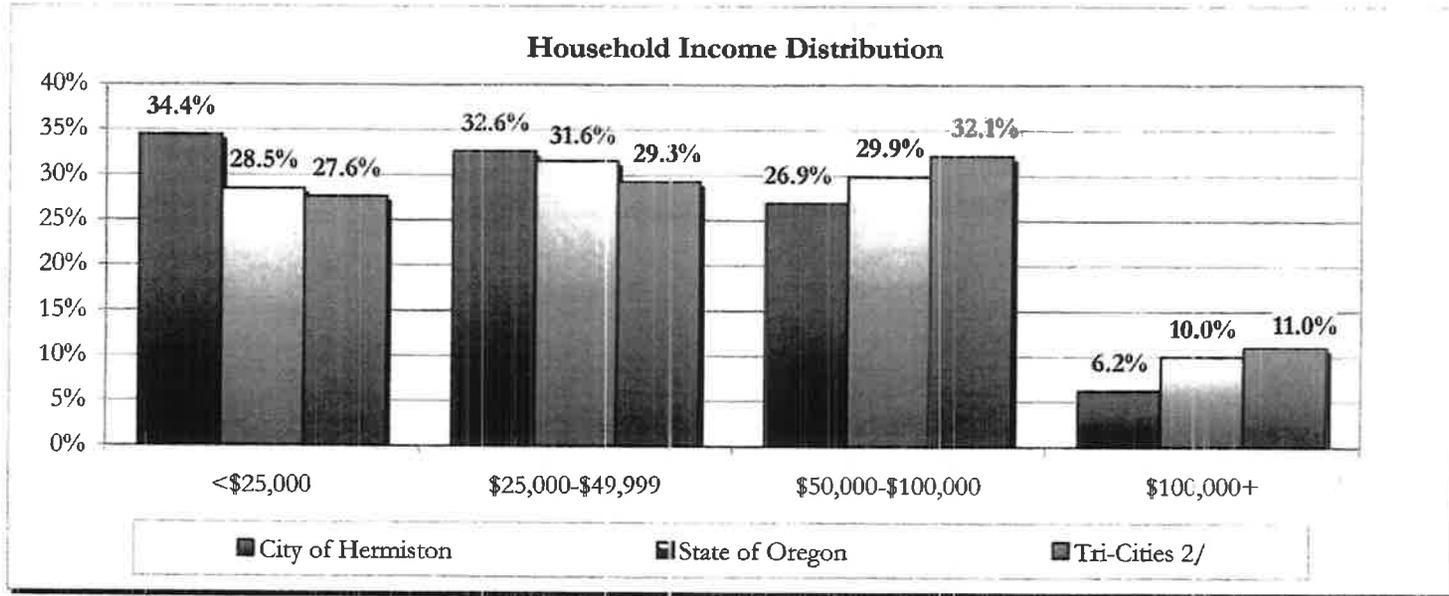
The most recent population forecast available for the City of Hermiston was completed in 1999 by Umatilla County. Based on this forecast, the population within Hermiston will grow by 1.8% annually over the 20-year forecast period. Given recent trends, this forecast is conservative.



Source: U.S. Census Bureau, Umatilla County, and Hobson Ferrarini Associates

**EXHIBIT 1.05
INCOME DISTRIBUTION OF HOUSEHOLDS
HERMISTON CITY/OREGON**

The City of Hermiston has a higher percentage of low-income households than the State. Prevailing wages would explain most of the discrepancy. However, another reason why incomes are lower in Hermiston is the lack of any communities with amenities like a clubhouse, pool, tennis, and golf, that would attract high-income households. Builders, realtors, and other residents who live in Hermiston consistently stated that some of the highest paid people who work in Hermiston choose to live in the Tri-Cities^{1/} because they offers a variety of master-planned, golf course communities. The most commonly mentioned communities that attract buyers from Hermiston are detailed in Appendix 2B. This flight of high-income households is part of the reason that incomes there are higher than in Hermiston.



^{1/} Primarily Kennewick and Richland

^{2/} Weighted average of the Cities of Kennewick, Richland, and Pasco

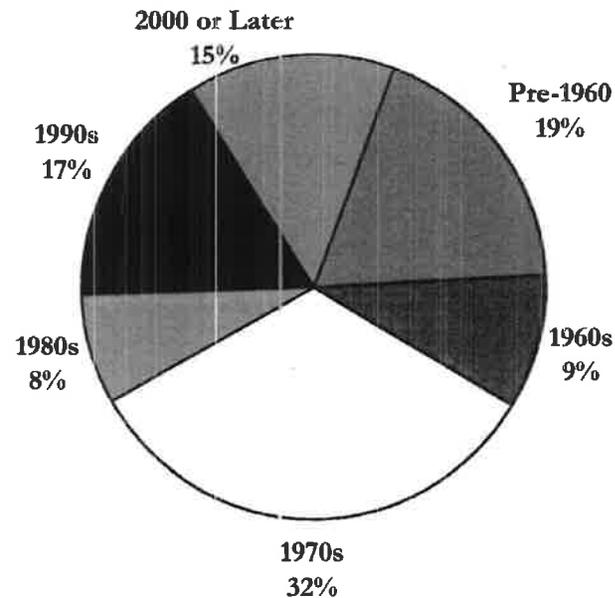
Source: US Census, ESRI and Hobson Ferrarini Associates

**SECTION 2:
CURRENT HOUSING CONDITIONS**

**EXHIBIT 2.01
AGE OF HOUSING STOCK
CITY OF HERMISTON**

Compared to other areas of the state, the housing stock in the City of Hermiston is relatively new. According to the US Census, less than 20% of the housing stock in the City was built prior to 1960. Even more surprising is the fact that approximately 15% of the City's housing stock has been constructed since 2000^{1/}, a result of historically low interest rates and rapid population growth.

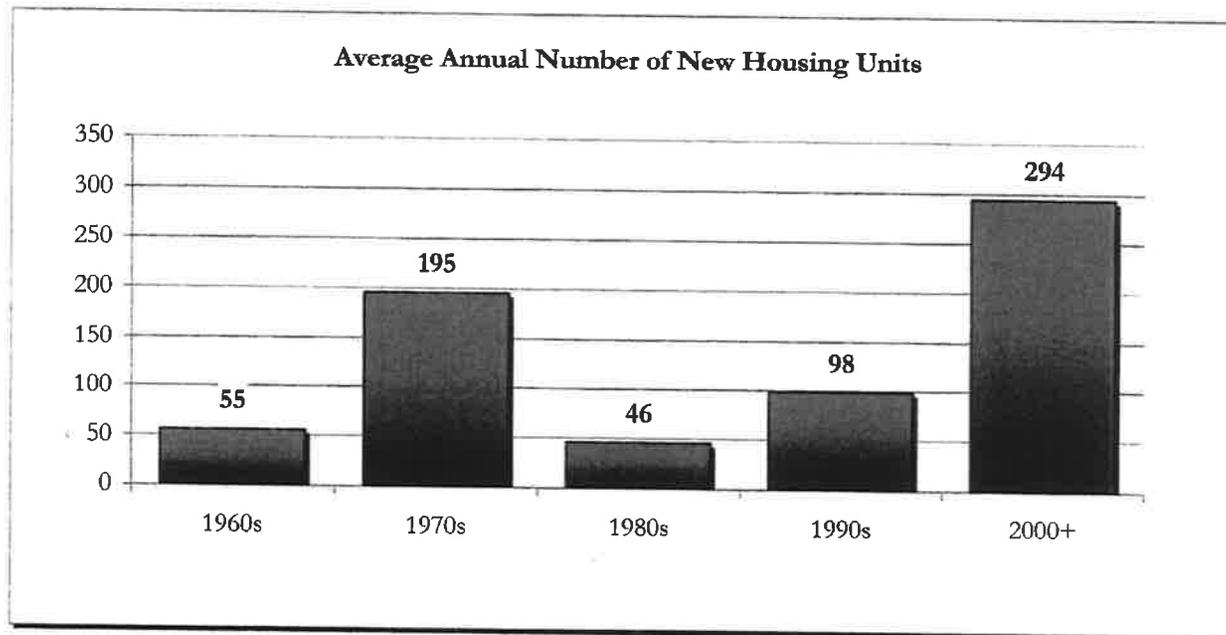
Hermiston Housing Stock by Decade



^{1/}Based on building permits issued since January 2000
Source: US Census and Hobson Ferrarini Associates

EXHIBIT 2.02
NEW HOUSING UNITS BY DECADE
CITY OF HERMISTON

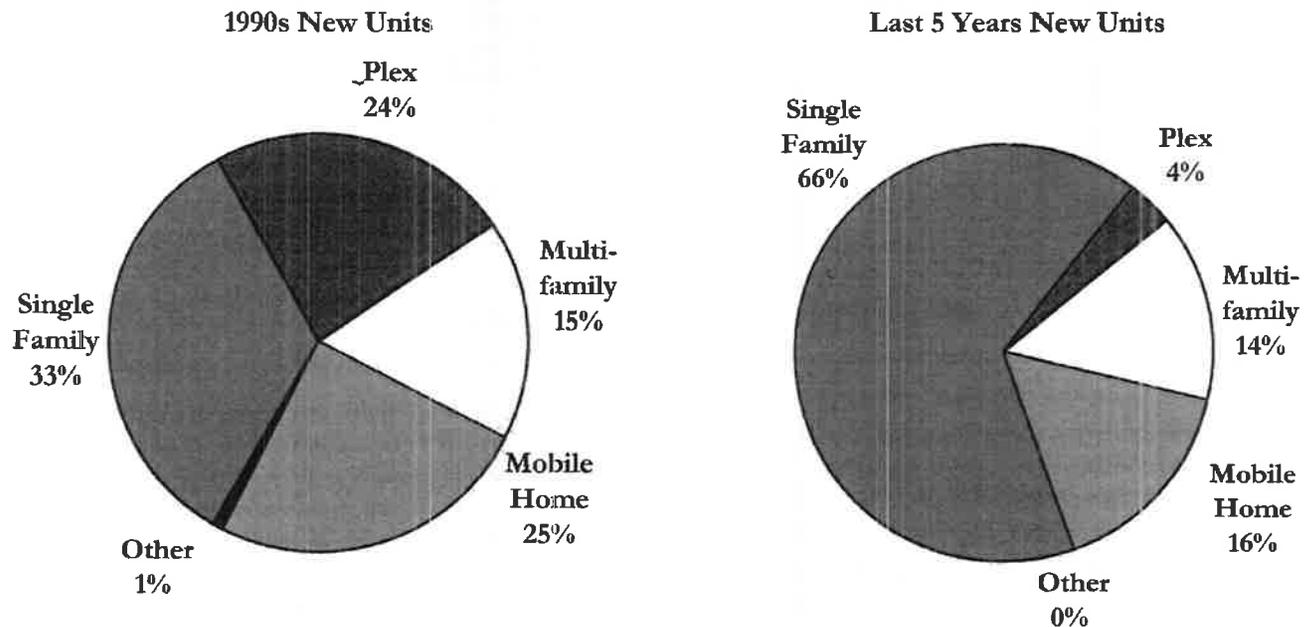
The recent housing boom is more clearly seen in the graphic below, which shows the average number of homes built annually by decade. As illustrated, nearly 300 new homes have been built annually since 2000, a rate far in excess of historic rates reported over the last 40 years. As noted previously, the current housing boom is being driven by historically low interest rates and by rapid population and employment growth. However, interest rates are already starting to climb, a result of positive economic news, and it is doubtful that the economic boom that occurred in the late 1990s will occur again in such a concentrated time period, if ever. As a result, the number of new homes being constructed in Hermiston will begin to slow.



Source: US Census and Hobson Ferrarini Associates

EXHIBIT 2.03
DISTRIBUTION OF NEW HOUSING STOCK
CITY OF HERMISTON

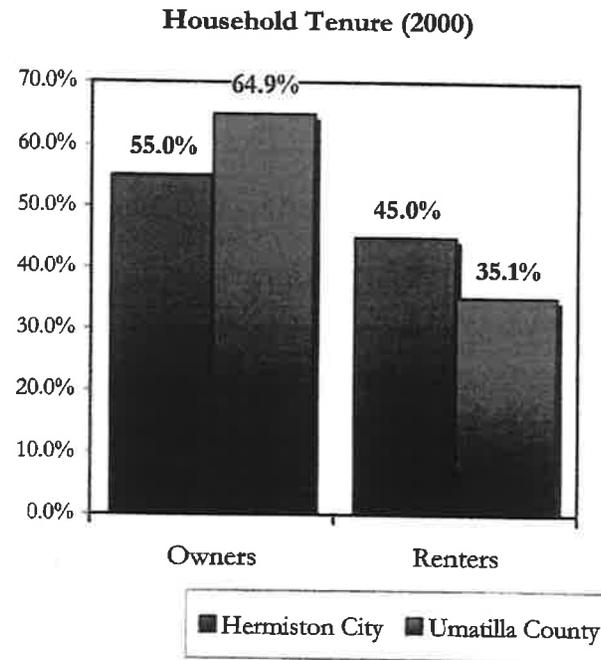
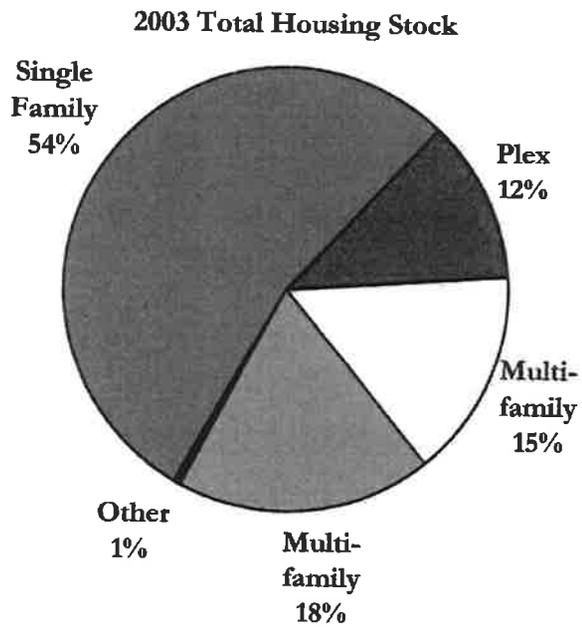
The type of housing constructed in Hermiston has changed dramatically in the recent past. As illustrated below, most homes constructed in the 1990s were mobile homes, plexes, or multi-family structures. Single-family homes only accounted for 1/3rd of all homes constructed during this period. Over the last five years, however, single-family homes have become more prevalent, now accounting for 2/3rds of all housing starts. According to interviews with those familiar with the local housing market, the growing popularity of single-family homes has come directly at the expense of the manufactured home and plex markets. Lower interest rates and the recent development of smaller homes ($\approx 1,300\text{SF}$) has made site-built, single-family homes less expensive than either alternative.



Source: US Census, City of Hermiston and Hobson Ferrarini Associates

**EXHIBIT 2.04
HOUSEHOLD TENURE
UMATILLA COUNTY/ HERMISTON CITY**

Not surprisingly, given the lack of new single-family development in the 1990s, the number of homeowners in the City of Hermiston is low compared with both the County and the State. In fact, the proportion of homeowners dropped slightly over the last decade, while rising overall in the County. Recent trends in housing development will reverse this.

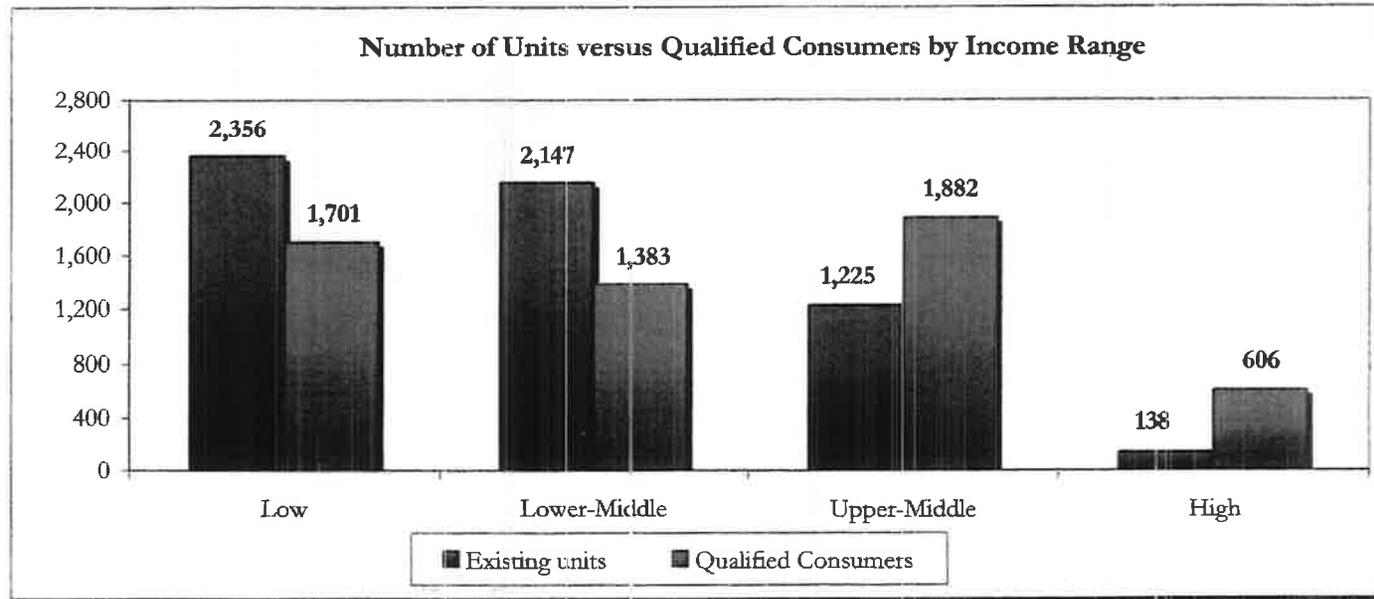


Source: US Census and Hobson Ferrarini Associates

EXHIBIT 2.05
CURRENT CONDITIONS (2004 est.)
QUALIFIED CONSUMERS BY HOME PRICE/RENT RANGE
HERMISTON, OREGON UGB

To assess whether the current housing stock is meeting the needs of all income groups, the price of homes and apartments in Hermiston is compared to the number of households who could afford them. As illustrated, households in the upper-middle (\$40K-\$85K) and high income (\$85K+) ranges are not well served by the existing housing stock. Although there are a larger number of homes needed to meet the needs of households earning upper-middle income levels than high income levels (\$200,000+ home value), most developers in Hermiston are currently building homes for that income group (homes priced from \$125,000 to \$199,000). There has never been a community built for the high income group in Hermiston.

See Appendix 2A for a definition of each income group and the type and price of home appropriate for each group.

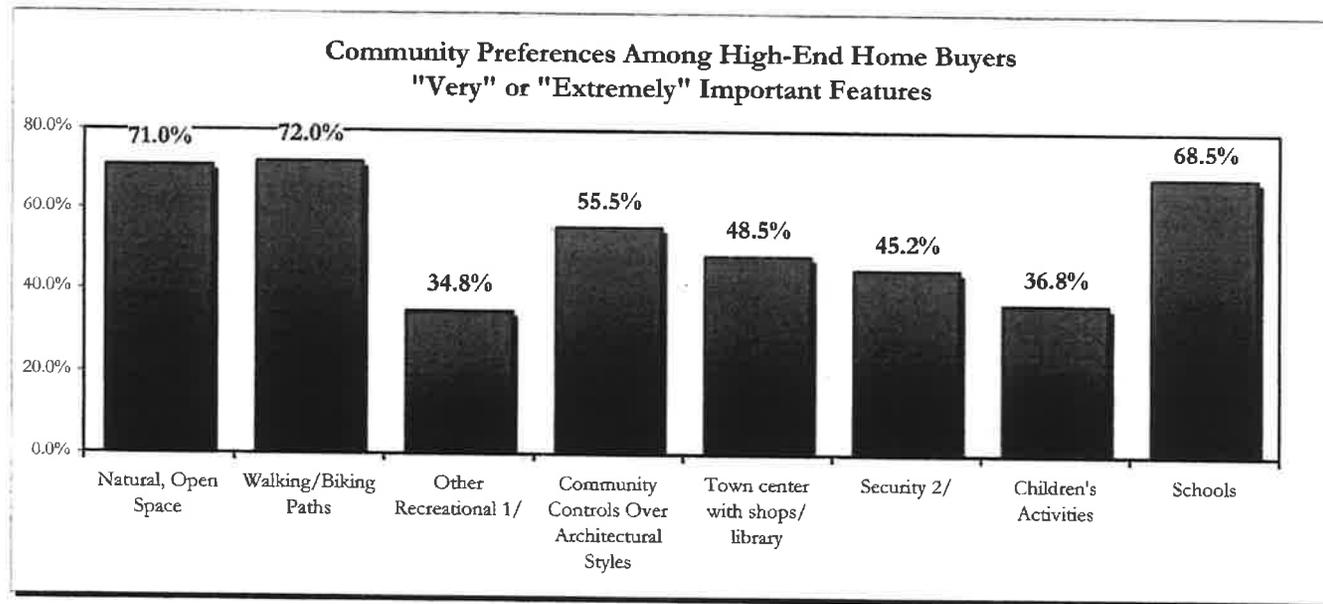


Source: US Census and Hobson Ferrarini Associates

**EXHIBIT 2.06
CONSUMER PREFERENCES
HIGH-END CONSUMERS**

To attract a high-end consumer, a community needs to have amenities. As illustrated below, high-end home buyers want a community with open space and recreational activities, like bike paths and walking trails. Although specific recreational activities like golf or tennis do not rate as high, the golf course itself provides the open space and walking trails (when integrated) that these consumers desire.

As illustrated in Appendix 2B, communities in the Tri-Cities offer these amenities, including: golf, pool, tennis clubhouse, views, and in some instances walking trails. Again, no such community exists in Hermiston.



^{1/} Includes parks, golf, tennis, exercise/fitness center

^{2/} Includes security patrol and gated community

Source: AmericanLIVES, Inc and Hobson Ferrarini Associates

**APPENDIX 2A
HOUSING ASSUMPTIONS BY MARKET SEGMENT
HERMISTON, OREGON**

	OWNERSHIP HOUSING					RENTAL HOUSING		
	Income Range	Percent Owner ^{1/}	Percent Spent on Housing ^{2/}	Percent Downpayment	Home Price Range ^{3/}	Percent Renter ^{1/}	Percent Spent on Housing	Monthly Rent Range
Low	<\$22,000	35.0%	30%	15%	<\$70,000	65.0%	30%	<\$550
Lower-Middle	\$22,000-\$40,000	40.0%	30%	15%	\$70,000-\$125,000	60.0%	30%	\$550-\$975
Upper-Middle	\$40,000-\$85,000	75.0%	25%	20%	\$125,000-\$200,000	25.0%	25%	\$975+
High	\$85,000+	100.0%	20%	25%	\$200,000+	0.0%	---	---

^{1/} Rounded, based on 2000 US Census statistics for Hermiston

^{2/} Housing costs including utilities (renter) and property taxes, mortgage payment, and insurance (ownership)

^{3/} Assumes 7.0% interest, 30-year amortization

Source: US Census Bureau and Hobson Ferrarini Associates

APPENDIX 2B
**COMMUNITIES ATTRACTING HIGH-END BUYERS FROM HERMISTON
 TRI-CITIES, WASHINGTON**

Community/ Location	Community Size (Acres)	Est. No. of Homes	Housing Types	Avg. Home Price	Community Amenities					Other Amenities/ Comments
					Golf Course	Pool	Tennis	Parks	Clubhouse	
Canyon Lakes Kennewick	640	>2,000	Single-family Condominium Retirement community	\$250,000-\$300,000 (single-family) \$180,000-\$280,000 (condominium)	Yes	Yes	Yes	Yes	Yes	<ul style="list-style-type: none"> Includes an 18-hole putting course plus and 18-hole golf course Homes range to over \$1 million. Brokers indicate that this community has successfully attracted households from the Hermiston area because "they don't have communities like this over there."
Columbia Point Richland	250+	300 existing and under construction	Townhome Condominium	\$350,000-\$500,000 (waterfront) \$250,000 (non-waterfront)	Yes	Yes	Yes	Yes	Yes	<ul style="list-style-type: none"> Yacht club Restaurants, grocery, and other retail Walkway on waterfront Medical office building This community attracts some households from Hermiston, many in their 50s who choose to live here because of the product type (all attached housing) and the amenities: a "lifestyle" choice.
Horn Rapids Richland	500+	250 existing and under construction >3,000 at buildout	Single-family Condominium (planned) Retirement community (planned)	\$180,000-\$260,000 (single-family)	Yes	Yes*	Yes*	Yes*	Yes*	<ul style="list-style-type: none"> RV parking with hookups 18-hole putting course (planned) This community began construction in the mid 1990s, had legal and financial difficulties and has recently re-commenced construction. Property sits above Richland and many homes will have views of the Yakima River and Tri-Cities. Property has just recently begun to market new homes. Broker actively markets the product in Hermiston because of the success of Canyon Lakes in attracting households from this area.

*Planned for development, but not yet built.

Source: Individual brokers, Ben Franklin Tide Company and Hobson Ferrarini Associates

APPENDIX 2C
SUMMARY OF REALTORS AND DEVELOPER INTERVIEWS
TRI-CITIES, WASHINGTON

1. Barbara Korten: realtor/Tri-Cities, Washington

Does she see a lot of buyers from Hermiston:

Yes

Which communities are attracting buyers from Hermiston and why:

- Canyon Lakes (golf course community): contains all higher-end homes and is located right on the highway (easy access to Hermiston)
- Some at Panoramic Heights, an older, “executive” community of the 1970s with a pool and park. Most resales are in the \$200,000s

In general, why households from Hermiston choose to live in Tri-Cities:

- The Tri-Cities has more “communities”, many master-planned.
- The Cities’ amenities: golf courses, pools, skating rinks, health clubs, outdoor recreation areas, parks/ballfields
- Shopping

2. Dave Combs: realtor@Canyon Lakes/Kennewick, Washington

Brief Description of Canyon Lakes Community:

- There are 28 subdivisions within Canyon Lakes, as well as an assisted living community, 18-hole golf course, 18-hole putting course, clubhouse with pool, etc.
- One subdivision is gated, with its own clubhouse and pool. Homes in this subdivision cannot be found for under \$200,000.
- In general, new homes at Canyon Lakes average \$250,000-\$350,000 and range to over \$1 million
- New condominiums range from \$189,900 to \$280,000

Are there a lot of buyers from Hermiston:

Yes

Comments on what is attracting households from Hermiston:

- The community setting, amenities and a better home selection
- Easy access to region (from Canyon Lakes)
- Amenities in the Tri-Cities: shopping, cultural events

**APPENDIX 2C
SUMMARY OF REALTORS AND DEVELOPER INTERVIEWS
TRI-CITIES, WASHINGTON**

3. Toby Blanchet: realtor@Columbia Pointe, Richland, Oregon

Brief Description of Columbia Pointe Community:

- All residences are condominiums in this waterfront, 18-hole golf community. Community amenities include: hotel, restaurants, retail, medical offices and a walkway on the waterfront
- New homes: \$150,000-\$470,000.

Are there a lot of buyers from Hermiston:

Some

Comments on what is attracting households from Hermiston to the Tri-Cities:

- At Columbia Pointe, buyers are primarily older “lifestyle: buyers, not families, because of the attached product. It has not attracted as many buyers from Hermiston as a community like Canyon Lakes.
- A big draw to the Tri-Cities are the amenities
- In addition, there are simply no communities like this or Canyon Lakes in Hermiston.
- **Hermiston needs to do something to keep people there.**

4. Jim Paul: project coordinator@ Horn Rapids/Richland, Washington

Brief Description of Horn Rapids Community:

- Just started building homes after original developer’s legal and financial problems stalled development in the mid-1990s.
- Approximately 200 homes were originally built along with an 18-hole golf course.
- Clubhouse with pool, tennis, and an 18-hole putting course will be built with the new phase of homes.
- Up to 3,000 homes are planned for full build-out, along with an elementary school.
- Property sits above Richland and has panoramic views of Yakima River and Tri-Cities.
- New homes: average \$180,000-\$260,000.

Comments on potential buyers from Hermiston:

- Canyon Lakes was very successful at attracting buyers from the Hermiston area because of the community, amenities and easy access to the highway.
- He will definitely advertise in Hermiston and expects to have the same kind of success because of the master-planned community.

APPENDIX 2D
SUMMARY OF REALTOR, BUILDER, AND DEVELOPER INTERVIEWS
HERMISTON, OREGON

1. Albert McAfee: builder/Hermiston, Oregon

Comments on character of the local housing market:

- He is currently building single-story starter homes (patio homes) that are approximately 1,300 square feet - \$104,000-\$107,000 and selling well. These homes are attracting young buyers and older buyers who want less space.
- Low interest rates and the comparable cost to build a lower-end site-built homes has made single-family homes an attractive and affordable alternative to manufactured homes recently.
- He is also building St. John's Estates, with homes averaging \$150,000-\$180,000. Lots in this subdivision obtain a \$10,000 premium because it is near a new school and located in south end of town. Average lot - \$35,000.
- Hermiston's south end is the direction of growth, where higher-end homes are being built, as well as new schools, parks, and the new golf course.
- The high-end of the market is looking for a community setting.

Comments on the local land supply:

- Land to develop is hard to find in the city.
- The city will be forced to annex land to expand the sewer and water capacity to accommodate more development.

2. Patsy Keimig: realtor/Hermiston, Oregon

Comments on character of and trends in the local housing market:

- Primarily plexes and apartments were built in the early 1990s when construction started on the incinerator
- Now, two-thirds of new homes are single-family. New jobs have been created by 4 big projects.
- Many first-time homebuyers have emerged because of low interest rates
- There has also been some in-migration from Boardman because of the better schools in Hermiston and a choice of new homes.
- Most current subdivisions in mid-\$100,000s. Highland Summit and Overlook have homes as high as \$190,000 – nice homes, but small lots (7,000-8,000 SF)
- Potential buyers want a subdivision/community setting. The community does not like infill development.

APPENDIX 2D
SUMMARY OF REALTOR, BUILDER, AND DEVELOPER INTERVIEWS
HERMISTON, OREGON

Comments on Hermiston households choosing to live in the Tri-Cities

- Hermiston has lost a lot of people to Tri-Cities in 1990s because there is more selection and price ranges. In some cases, you could get a lot in a golf course community for about the same price.
- Lots of ladies (wives), especially, choose to live in Kennewick because of access to community activities and shopping.

3. Fred Otis: realtor/Hermiston, Oregon

Comments on the character of local housing market:

- Homes are typically on 7,500-8,000 square foot lots, even higher-priced homes (up to \$205,000) in the new Overlook subdivision.
- Homes above \$200,000 have historically been hard to sell because those households can go up to the Tri-Cities and buy a home in a community with a golf course, etc.

Comments on the reasons Hermiston households choose to live in the Tri-Cities:

- To live on a golf course with a pond (water features) and green space

4. Kim Fife: realtor/Hermiston, Oregon

Households have definitely been choosing to live up in the Tri-Cities. Many wives want to live there because the communities have more things to do and the shopping is better.

5. Sandy Taylor: realtor/Hermiston, Oregon

Has she seen households choosing to live in the Tri-Cities:

Yes

Comments on the reasons Hermiston households choose to live in the Tri-Cities:

- One you can afford over \$200,000 or so, you can go to the Tri-Cities and get a home on a golf course or the river
- There are no high-end (>\$300,000) homes in Hermiston

Other comments:

- Most of the new subdivisions in Hermiston do have parks, but they are very small, with some playground equipment
- Anything built around the new golf course being built would sell well because there is nothing else like it in Hermiston.

APPENDIX 2D
SUMMARY OF REALTOR, BUILDER, AND DEVELOPER INTERVIEWS
HERMISTON, OREGON

5. builder, Trademark Construction/Hermiston, Oregon

Comments on the local land supply:

- Much of the inventory is in small lots.
- This is an issue because a minimum of 3.5 acres is needed to make single-family homes pencil: to recover the cost of serving and finishing lots.
- Half acre to one acre lots: by the time you build streets, gutters, sidewalks, etc. you cannot amortize the improvement costs to make any profit.

Comments on the local housing market:

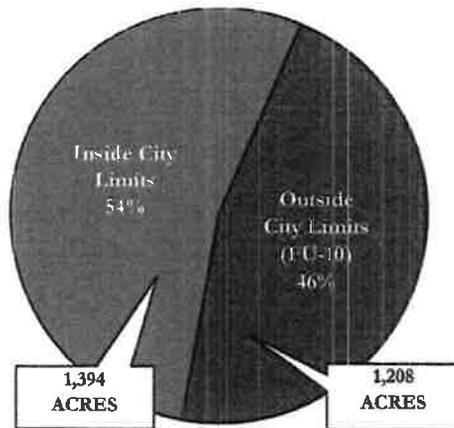
- Buyers prefer 8,000-10,000 square-foot lots. Most of what exists and is being built is smaller
- Growth is definitely going south – new schools and parks and no development barriers.

**SECTION 3:
SUPPLY AND DEMAND**

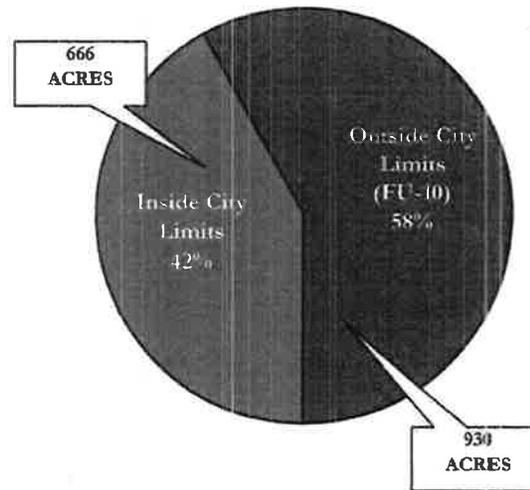
**EXHIBIT 3.01
LOCATION OF RESIDENTIAL LAND
HERMISTON, OREGON UGB**

Within Hermiston's urban growth boundary (UGB), there are approximately 4,200 acres of residential land: 2,061 acres within the city limits and 2,135 acres outside the city designated for future growth (FU-10). While, the FU-10 designation is a holding zone intended to prevent small lot parcelization, most is already developed and/or divided into lots smaller than 10 acres. Small lots, in addition to irrigation canals and easements for BPA power lines will inhibit the potential conversion of FU-10 land from rural to "urban" densities.

Developed Residential



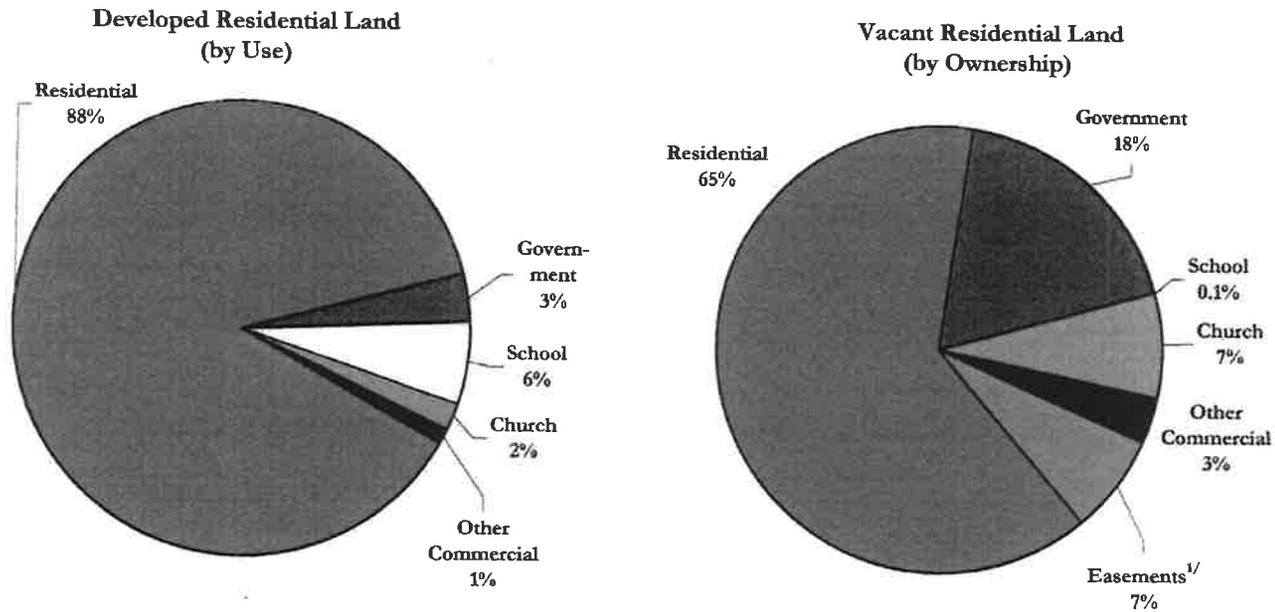
Vacant Residential Land



Source: Umatilla County Tax Assessor and Hobson Ferrarini Associates

**EXHIBIT 3.02
RESIDENTIAL ZONED LAND
HERMISTON, OREGON UGB**

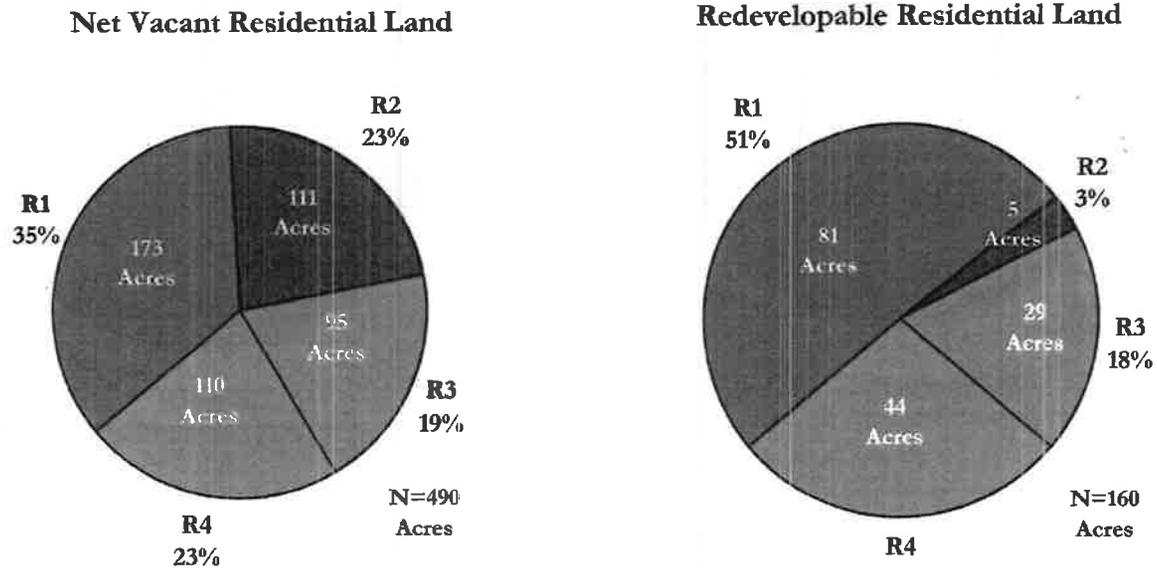
Tax assessor records indicate that 12% of residential land has been built-out with non-residential uses - principally schools, churches, government buildings and a small amount of commercial development. In the future, however, a much larger amount of residential land (approximately 35%) will not be available for residential development, primarily due to government-owned parcels. The Federal government owns nearly 200 acres of FU-10 land, much of which is slated to remain open space, while the City of Hermiston owns nearly 100 acres of residential land within the city limits, most of which is zoned R1.



^{1/} Easements for irrigation canals and BPA power lines.
Source: Assessor's data and Hobson Ferrarini Associates

**EXHIBIT 3.03
TOTAL BUILDABLE RESIDENTIAL LANDS
HERMISTON, OREGON UGB**

After accounting for all possible constraints, there are approximately 490 vacant^{1/} and 160 redevelopable^{2/} acres of residential land in the City of Hermiston, or 650 acres of "buildable" residential land. The majority of this land (254 acres) is zoned R1, which typically accommodates single-family homes at a density of 4-5 units per acre. In addition to lands within the city limits, there are 746 buildable acres in the FU-10 holding zone (See Appendix 3B).



^{1/} Vacant lands less land owned by government, churches and other constraints.

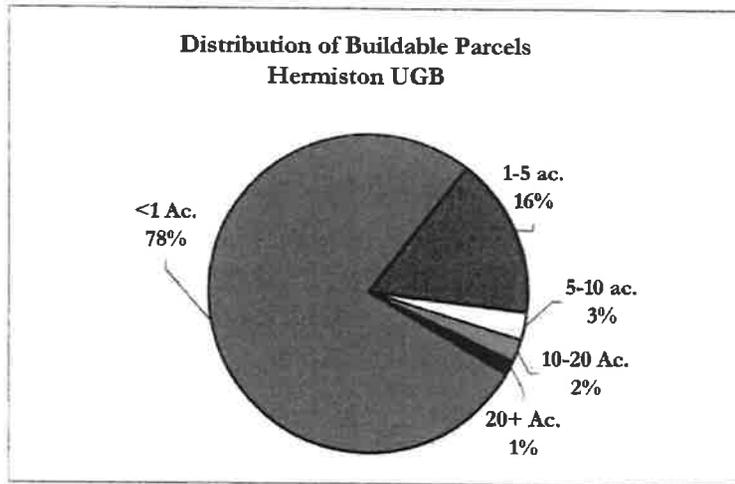
^{2/} Parcels with an improvement to value ratio of less than 0.30, less land owned by government, churches and other constraints.

Source: Umatilla County Tax Assessor and Hobson Ferrarini Associates

**EXHIBIT 3.04
BUILDABLE RESIDENTIAL LAND BY PARCEL SIZE
HERMISTON, OREGON UGB**

One of the most notable attributes of the Hermiston buildable land inventory is the high percentage of small parcels. As noted below, nearly 80% of the buildable parcels inside the UGB are less than an acre: 93% are less than 5 acres in size. The lack of large parcels will have a significant impact on the residential housing market in the future:

1. It will prevent a high-end community from being built in Hermiston. As noted in Appendix 2B, all new high-end communities in the Tri-Cities range in size from approximately 250 acres to more than 600 acres. At least 250 acres are needed to accommodate the amenities that are integrated into a high-end community: at least 130 acres are needed for the golf course itself. As illustrated below, approximately 570 lots are needed if the development costs are \$7,000,000. At three dwelling units per acre (averaging 10,000 to 15,000 square foot lot sizes), this equates to 190 acres. However, if the cost to build the golf course and the other community amenities are lower, the number of lots and the land area needed to support the development would be lower.



Cost of Amenities:	\$7,000,000
Base Lot Price	\$35,000
Times: Premium for Golf Course Community	35%
Equals: Added Value of Lots	\$12,250
Number of Needed Lots:	
Cost of Amenities	\$7,000,000
Divide: Added Value of Lots	<u>\$12,250</u>
Equals: Approx. Lots to Break Even	570

2. It will increase housing costs. According to local builders, at least 3.5 acres are needed to offset the costs of finishing lots (utilities, sidewalks, streetlights, etc.) and deliver the lots at the current market price in Hermiston: \$20,000 - \$30,000.

3. It will change the physical character of Hermiston. Many of the small parcels are remnant infill sites surrounded by existing development. These parcels are less desirable to the consumer, who generally prefers the consistency of a larger community with CC&Rs, and to existing residents, who prefer a less dense, more rural environment. Neighborhood resistance to infill development is documented in the Hermiston Infill Study.

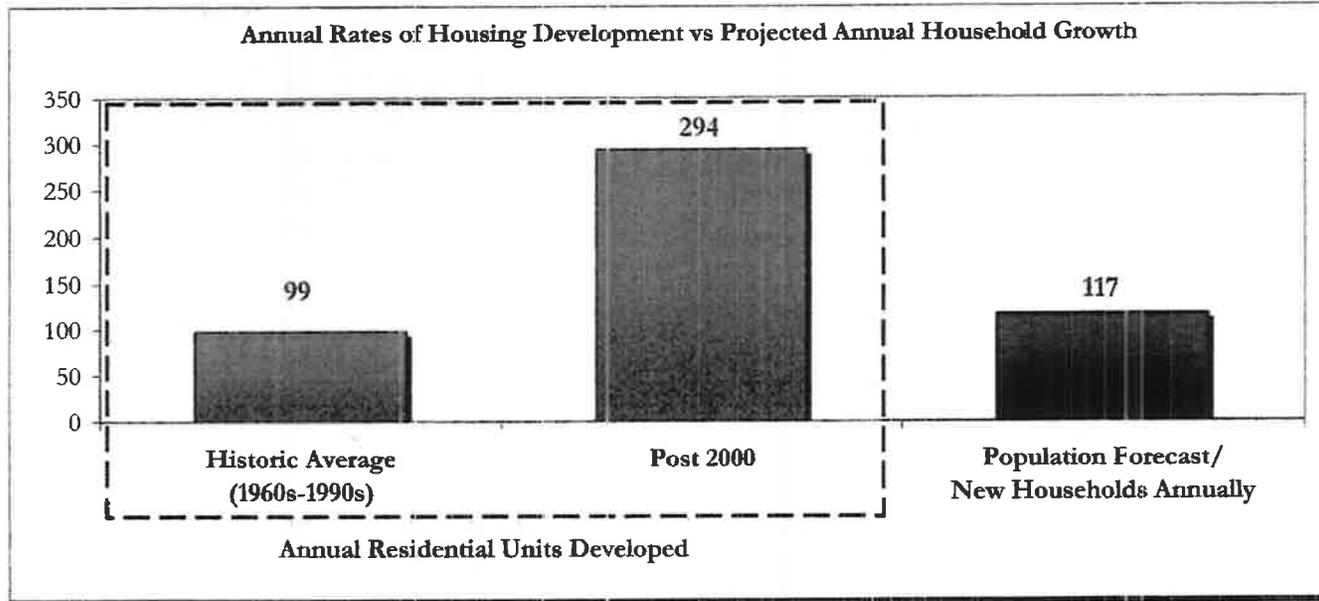
^{1/} This analysis is intended to be a rough estimate. Individual project economics will vary.

Source: Umatilla County Tax Assessor, Carlton Hart Architecture, Pumpkin Ridge Golf Partners, and Hobson Ferrarini Associates

EXHIBIT 3.05

**POPULATION FORECAST VERSUS HISTORIC HOUSING DEVELOPMENT
HERMISTON, OREGON UGB**

As required by state law, residential demand forecasts must be based on an officially recognized population forecast. For Hermiston, the most recent population forecast was completed in 1999 by Umatilla County. This forecast anticipates an average annual population growth of 1.8%, which roughly equates to 117 new households per year. Compared to recent trends, this forecast is conservative.



Source: Umatilla County, US Census, and Hobson Ferrarini Associates

EXHIBIT 3.06
NEW HOUSING UNITS NEEDED
HERMISTON, OREGON UGB

State law also requires the forecast for new homes to be based on the type and density of homes that have been built over the last 5 years. This data is shown below and compared to the total inventory of existing homes and the expected character of development over the next 20 years. As shown, a slightly lower percentage of detached single-family homes are expected in the future compared to the last 5 years because interest rates are not expected to stay at historically low levels.

Distribution of Housing Type and Density

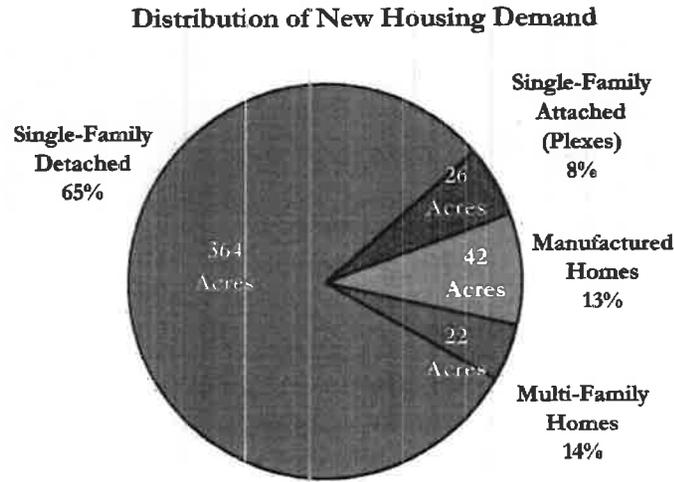
Housing Type	Existing	5-Year		5-Year Density History (Units/Acre)
	Housing Mix	Historic Housing Mix	Future Housing Mix	
Single-Family Detached	54%	67%	65%	4.2
Single-Family Attached (Plexes)	12%	5%	8%	7.2
Manufactured Homes	18%	13%	13%	7.3
Multi-Family Homes	15%	15%	14%	15.3

Source: Umatilla County, US Census, and Hobson Ferrarini Associates

EXHIBIT 3.07
ACREAGE NEEDED TO ACCOMMODATE
20 YEARS OF FORECASTED GROWTH
HERMISTON, OREGON UGB

Based on the forecast, the City of Hermiston needs approximately 454 acres of buildable land to accommodate approximately 2,354 new homes over the next 20 years (see Appendix 3A for details).

In addition to accommodating the total number of needed housing units, state law requires in OAR (660-008-0005) that the buildable lands inventory also needs to have enough land to accommodate the expected mix of housing types (single family, multi-family, mobile home, etc.) and densities that are commensurate with the financial capabilities of existing and future residents at **all income levels**.



Source: Umatilla County, US Census, and Hobson Ferrarini Associates

**EXHIBIT 3.08
HOUSING NEEDS BY TENURE
HERMISTON, OREGON UGB**

With respect to tenure, the City of Hermiston has an adequate supply of buildable land. Although allowed in all zones, ownership tends to be concentrated in the lower density R1 and R2 zones and rental in the higher density R3 and R4 zones and are thus compared to buildable lands in those zones based on the following assumptions:

- Housing tenure is expected to become slightly more weighted toward ownership units as incomes continue to increase in real, inflation adjusted terms.
- Densities are not expected to change given the rural character of this community. The City of Hermiston does not have the traffic congestion or high land costs that necessitate the building of high density product, nor is it expected to in the future.

Reconciliation of Supply and Demand by Tenure, Hermiston UGB

Tenure	2000 Census Tenure	Expected Tenure	Expected Zone ^{1/}	Expected Density ^{2/}	2004-2024 Units Needed ^{3/}	Capacity of BLI/Units ^{4/}	Over (Under) Supply/Units
Owners	55%	60%	R1, R2	4.4	1,412	1,633	221
Renters	45%	40%	R3, R4	10.0	941	2,790	1,849
TOTAL	100%	100%		5.2	2,354	4,423	2,069

^{1/} The zones most likely to be used by this type of home.

^{2/} Based on average historic densities in Appendix 3A

^{3/} Per Appendix 3B

^{4/} Based on expected density and the total amount of buildable land in the expected zones.

Source: US Census, Umatilla County and Hobson Ferrarini Associates

EXHIBIT 3.09
HOUSING NEEDS BY MIX OF HOUSING TYPE
HERMISTON, OREGON UGB

The buildable land inventory is also adequate to accommodate the expected mix and densities of housing. Illustrated below, the acres needed by unit type have been compared to the zones in which they are most likely to be developed, based on historic development trends and zoning requirements (See Appendix 3C). The capacity to accommodate government assisted housing is limited to parcels zoned R4 that are 3 or more acres in size.

While the analysis shows an apparent undersupply of land for single-family detached homes, this deficit can be more than overcome by the 746 acres of buildable FU-10 lands which are not included in this analysis but are available for future development. This means that land that is annexed into the city for residential use should be zoned R1 or R2.

Reconciliation of Supply and Demand by Type, Hermiston UGB

Product Type	Primary Zone ^{1/}	2004-2024 Housing Units Needed ^{2/}	Capacity of BLI/ Units ^{3/}	Over (Under) Supply/ Units
Single-Family Detached	R1, R2	1,530	1,314	(215)
Single-Family Attached (Plexes)	R2, R3, R4	188	1,081	892
Manufactured Homes	R3, R4	306	581	275
Multi-Family Homes	R3, R4	330	1,639	1,310
Government Subsidized ^{4/}	R4	188	907	719
TOTAL		2,354	4,615	2,262

^{1/} The zones most likely to be used by this type of home.

^{2/} Per Appendix 3A

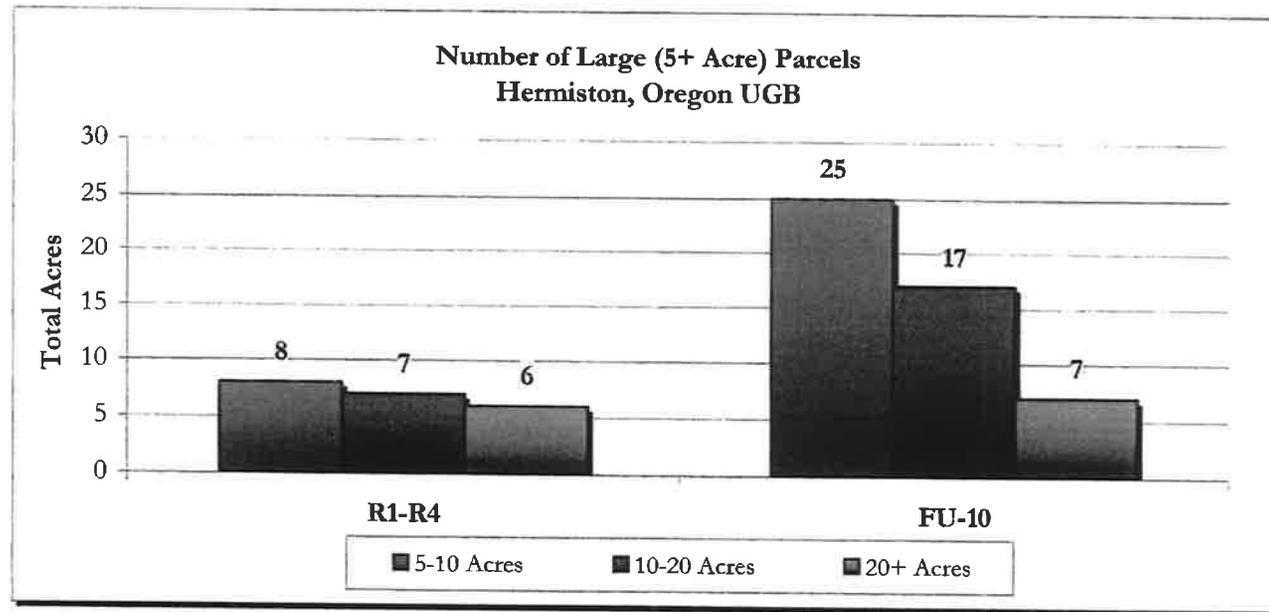
^{3/} Based on distribution of actual development and zoning requirements (Appendix 3C) and historic densities (Appendix 3A)

^{4/} Approximately 20% of total rental units, based on historic development of subsidized units and real growth of incomes

Source: Umatilla County and Hobson Ferrarini Associates

**EXHIBIT 3.10
LARGE BUILDABLE PARCELS (5+ACRES)
HERMISTON, OREGON UGB**

The City of Hermiston's inventory is not sufficient to serve all income groups. It cannot adequately serve the high end of the market. As noted previously, the largest buildable parcel within Hermiston's UGB is 56 acres.^{1/} This is not large enough to accommodate the type of development needed to create a high-end community with a golf course and amenities (see Appendix 3D for details). While larger lots and high-end homes could be developed on this parcel, or one of the few remaining large buildable parcels in Hermiston, this type of development would be at a competitive disadvantage to the more attractive, amenity-enhanced communities in the Tri-Cities. It would therefore not receive strong market acceptance and is most likely why none have been built.



^{1/} Considering single parcels and those that can easily be combined.
Source: Umatilla County Tax Assessor and Hobson Ferrarini Associates

APPENDIX 3A
RESIDENTIAL UNITS AND ACREAGE NEEDS
HERMISTON, OREGON
2003-2023

	2004 Est.	2009 proj. ^{1/}		2014 proj. ^{1/}		2019 proj. ^{1/}		2024 proj. ^{1/}		TOTAL
		Total	AAGR	Total	AAGR	Total	AAGR	Total	AAGR	
Population	13,819	15,443	2.2%	16,877	1.8%	18,242	1.6%	19,656	1.5%	
Households	5,572	6,227	2.2%	6,805	1.8%	7,356	1.6%	7,926	1.5%	
Avg. Household Size	2.48	2.48		2.48		2.48		2.48		
Net New Households	--	655		578		550		570		2,354

Structure Type	Expected Housing Mix	Actual Densities Developed	2009		2014		2019		2024		TOTAL ACRES
			New Units	Acres							
Single-Family Detached	65.0%	4.2	426	101.3	376	89.5	358	85.2	371	88.2	364.3
Single-Family Attached (Plexes)	8.0%	7.2	52	7.3	46	6.4	44	6.1	46	6.3	26.2
Manufactured Homes	13.0%	7.3	85	11.7	75	10.3	72	9.8	74	10.2	41.9
Multi-Family Homes	14.0%	15.3	92	6.0	81	5.3	77	5.0	80	5.2	21.5
TOTAL	100%	---	655	126.3	578	111.5	550	106.1	570	109.9	453.9

^{1/} Based on Umatilla County's approved population estimates and forecast of 18,520 persons in 2020. Beyond 2020 we assumed 1.5% annual growth, consistent with the last five years of that forecast.

Source: Umatilla County, US Census, and Hobson Ferrarini Associates

**APPENDIX 3B
TOTAL BUILDABLE RESIDENTIAL LANDS
HERMISTON, OREGON UGB**

Zone	Gross Vacant Acreage	<i>minus</i> Acres for Public Facilities ^{1/}	<i>minus</i> Constrained Acres ^{2/}	<i>equals</i> Net Buildable Vacant Acres	<i>plus</i> Net Redevelopable Acres ^{3/ 4/}	<i>equals</i> Total Net Buildable Acres
R1	307	119	14	173	81	255
R2	129	13	5	111	5	116
R3	107	3	9	95	29	124
R4	123	4	9	110	44	155
Subtotal	666	139	38	490	160	650
FU-10	927	366	85	476	270	746
Residential Total	1,594	505	123	967	430	1,396

^{1/} Includes lands owned by government and church entities and other expected commercial development.

^{2/} Constrained lands typically include wetlands, riparian areas, flood plains and slopes. However, in Hermiston, some land is also constrained by easements for irrigation canals (40-200 feet wide) and power lines (200 feet wide).

^{3/} Redevelopable lands are parcels with an improvement to value ratio of less than 0.30.

^{4/} Net of public, church, and commercial use lands (based on ownership).

Source: Umatilla County Tax Assessor and Hobson Ferrarini Associates

**APPENDIX 3C
DETERMINATION OF NET NEW NEED BY ZONE
HERMISTON, OREGON UGB**

Net New Acres ^{1/}					
	Total	2009	2014	2019	2024
S-Family	364.3	101.3	89.5	85.2	88.2
Plex	26.2	7.3	6.4	6.1	6.3
Apt	21.5	6.0	5.3	5.0	5.2
Mobile	41.9	11.7	10.3	9.8	10.2
TOTAL	453.9	126.3	111.5	106.1	109.9

Acres Developed by Type and Zone ^{2/}					
Zone	S-Family	Plex	Apt	Mobile	
R1	63.4%	4.9%	5.0%	5.0%	
R2	22.3%	24.9%	5.0%	5.0%	
R3	10.5%	36.8%	45.0%	20.0%	
R4	3.7%	33.4%	45.0%	70.0%	
TOTAL	100.0%	100.0%	100.0%	100.0%	

Net New Acres Needed by Zone by Year					
Year	Total	2009	2014	2019	2024
R1	235.4	65.5	57.8	55.1	57.0
R2	91.1	25.3	22.4	21.3	22.1
R3	66.0	18.4	16.2	15.4	16.0
R4	61.4	17.1	15.1	14.4	14.9
TOTAL	453.9	126.3	111.5	106.1	109.9

^{1/} Per Appendix 3A

^{2/} For single family and plex development, land allocations by zone are based on actual development patterns from tax assessor data. For apartment and manufactured homes, allocations are based on historic patterns adjusted to reflect allowed uses in each zone.

Source: Umatilla County and Hobson Ferrarini Associates

**APPENDIX 3D
SITE REQUIREMENTS FOR RENTAL HOUSING BY MONTHLY RENT RANGE
HERMISTON, OREGON**

	Income Range	Percent Renter	Monthly Rent Range	Housing Characteristics	Zoning ^{1/}	Site Requirements
Low	<\$22,000	65.0%	<\$550	<ul style="list-style-type: none"> ▪ Tax credit subsidized housing ▪ Old, poorly maintained homes and apartments 	R3, R4	<ul style="list-style-type: none"> • New rental product in this range will be subsidized - Approximately 3 acres are needed to make tax credit projects pencil.
Lower-Middle	\$22,000-\$40,000	60.0%	\$550-\$975	<ul style="list-style-type: none"> • Due to the broad rent range this category includes most rentals in Hermiston including: • Older homes, plexes, and apartments ▪ Newer apartmentsts like Sterling Ridge. 	R2, R3, R4	<ul style="list-style-type: none"> • No specific site requirements - rentals in this range can be built in all zones and parcel sizes. • To build a new apartment complex targeted to the top end of this range, like Sterling Ridge, approximately 4 acres is needed to offset the cost of common amenities (pool, clubhouse, etc.)
Upper-Middle	\$40,000-\$85,000	25.0%	\$975+	<ul style="list-style-type: none"> • Not many rental command this rental rate - those that do are mainly well maintained homes with 3 ro more bedrooms 	R1-R2	<ul style="list-style-type: none"> • It is doubtful whether any builder would develop new rental product at this price range, even the newest apartment complex, Sterling Ridge, has no rentals in this range.
High	\$85,000+	0.0%	\$1,400+	<ul style="list-style-type: none"> • Very few rentals if any, command this kind of rental rate 	R1	<ul style="list-style-type: none"> • No new rentals will be built at this price range.

^{1/} This category reflects the zone where new homes in this range will most likely be built
Source: Hobson Ferrarini Associates

**APPENDIX 3D
SITE REQUIREMENTS FOR OWNERSHIP HOUSING BY PRICE RANGE
HERMISTON, OREGON**

	Income Range	Percent Owner	Home Price Range ^{1/}	Housing Characteristics	Zoning ^{2/}	Site Requirements
Low	<\$22,000	65.0%	<\$70,000	<ul style="list-style-type: none"> • Resales of existing older homes • Very low-end manufactured home on small lot 	R1-R4	<ul style="list-style-type: none"> • New homes cannot be built at this price range
Lower-Middle	\$22,000-\$40,000	60.0%	\$70,000-\$125,000	<ul style="list-style-type: none"> • Manufactured homes • Small site-built home (≈1,000 SF) • Avg. lot size: 7,500 SF 	R1-R4	<ul style="list-style-type: none"> • No specific site requirements - homes in this price range will require inexpensive land because these consumers have limited ability to pay -therefore these will likely be secondary sites
Upper-Middle	\$40,000-\$85,000	75.0%	\$125,000-\$200,000	<ul style="list-style-type: none"> • Most new homes in subdivisions are in this price range • Site-built homes (range up to 2,500SF) • Avg. lot size: 7,500-10,000 SF 	R1-R2	<ul style="list-style-type: none"> • No specific site requirements
High	\$85,000+	100.0%	\$200,000+	<ul style="list-style-type: none"> • Not currently well served in Hermiston - a few homes in active subdivisions are just over \$200,000, but most in this range are scattered within the UGB on larger parcels on land • Avg. lot size: 10,000+SF 	R1	<ul style="list-style-type: none"> • At least 250 acres are needed to make a high-end community feasible in Hermiston (See Exhibit 3.04)

^{1/} Assumes 7.0% interest, 30-year amortization

^{2/} Detached single-family homes are allowed outright in all residential zones. This category reflects the zone where new homes in this range will most likely be built

Source: Hobson Ferrarini Associates

**APPENDIX 3E
BUILDABLE LAND BY PARCEL SIZE
HERMISTON, OREGON UGB**

Number of Parcels

Zone	<1 ac.	1-5 ac.	5-10 ac.	10-20 ac.	20+ ac.
R1	144	35	4	1	3
R2	253	9	1	1	1
R3	118	15	2	1	2
R4	291	21	1	4	0
Subtotal	806	80	8	7	6
FU-10	42	101	25	17	7
TOTAL	848	181	33	24	13

Total Acres by Parcel Size

Zone	<1 ac.	1-5 ac.	5-10 ac.	10-20 ac.	20+ ac.
R1	36.0	82.7	30.7	16.6	111.8
R2	47.8	21.3	5.8	14.9	33.6
R3	30.2	37.3	11.0	11.5	45.2
R4	56.4	54.1	9.4	49.9	0.0
Subtotal	170.4	195.3	56.8	93.0	190.6
FU-10	24.7	229.8	188.9	221.8	190.1
TOTAL	195.1	425.1	245.7	314.7	380.7

Source: Umatilla County Tax Assessor and Hobson Ferrarini Associates

DRAFT MINUTES

**PLAN MAP AMENDMENT
#P-124-19**

**Co-adopt City of Hermiston
Ordinance 2271**

PLANNING COMMISSION HEARING

July 25, 2019

**DRAFT MINUTES
UMATILLA COUNTY PLANNING COMMISSION
Meeting of Thursday, July 25, 2019, 6:30 pm**

Umatilla County Justice Center, Media Room, 4700 NW Pioneer Place, Pendleton, OR

COMMISSIONERS

PRESENT: Gary Rhinhart, Molly Tucker Hasenbank, Tammie Williams, Hoot Royer, Lyle Smith

ABSENT: Suni Danforth, Chair, Don Wysocki, Vice Chair, Jon Salter, Tami Green

STAFF: Bob Waldher, Planning Director; Elizabeth Ridley, Planner/GIS; Tierney Dutcher, Administrative Assistant

NOTE: THE FOLLOWING IS A SUMMARY OF THE MEETING. RECORDING IS AVAILABLE AT THE PLANNING OFFICE

CALL TO ORDER

Commissioner Rhinhart called the meeting to order at 6:30 p.m. and read the Opening Statement.

NEW HEARING

PLAN MAP AMENDMENT, #P-124-19, Co-adopt City of Hermiston Ordinance 2271. The City of Hermiston requests the County co-adopt City Ordinance 2271 amending the comprehensive plan map from urbanizable to urban status for 71.02 acres on the north side of East Theatre Lane and on the west side of Northeast 10th Street. The City Council also adopted Ordinance 2272 annexing said property effective upon co-adoption of Ordinance 2271. The criteria of approval are found in Umatilla County Development Code 152.750 - 152.754 and the Joint Management Agreement between the City and County.

STAFF REPORT

Elizabeth Ridley, Planner/GIS, stated that, on March 11, 2019, the Hermiston City Council adopted Ordinance 2271 amending the Comprehensive Plan Map from urbanizable to urban status for 72 acres of land on the north side of East Theatre Lane. The property is described as Tax Lots 500 and 502 located on Assessors Map 4N2802A. The plan map amendment would change the designation to R-3 (Multi-Family Residential). The City Council also adopted Ordinance 2272 annexing said property effective upon co-adoption of Ordinance 2271. Per Section E10 of the Hermiston Planning Area Joint Management Agreement the matter of the conversion now comes before Umatilla County for co-adoption.

Ms. Ridley stated that the goal for tonight's hearing is for the Planning Commission to recommend approval or denial of the City of Hermiston's Plan Map Amendment Co-adoption request to the Umatilla County Board of County Commissioners (BCC). The only item for consideration is the co-adoption of the Comprehensive Plan Map Amendment changing the designation of the property from urbanizable to urban. All subsequent actions taken by the City

of Hermiston, including annexation with an R-3 zoning designation and potential subdivision, are not a part of this consideration.

Robert Waldher, Planning Director, stated that staff received a letter (exhibit A) jointly submitted by The Fair Housing Council of Oregon (FHCO) and the Housing Land Advocates (HLA). The letter expresses concern regarding their perceived lack of findings addressing Goal 10: Housing, of the City of Hermiston's Comprehensive Plan. They also feel that the amendment request fails to take into consideration the Housing Needs Analysis (HNA) and Buildable Land Inventory (BLI). Mr. Waldher stated that it is not clear if the letter was intended for the City, or should have been submitted to the City when they were reviewing the application, because it is addressed to the City of Umatilla Planning Commission. He added that, this is a unique provision to the City of Hermiston and must occur before the land is officially annexed.

Mr. Waldher stated that planning staff feel that this amendment would benefit the City's overall housing supply. He referred to page 9, City Findings #44 in the Planning Commission Packets which states that, "Hermiston has a pressing need for more housing, both single family housing and multifamily units." He stated that staff reviewed the City's HNA and feels that annexing this Future Urban Zoned land with a 10 acre minimum parcel size standard into the City will effectively increase the density. Additionally, he stated that most City HNA's do not consider publically owned land as being available for residential use. Therefore, it is likely that this land owned by Hermiston Irrigation District (HID) and Hermiston School District (HSD) was not considered in the original HNA and as a result this would increase their supply of available housing.

TESTIMONY

Applicant Testimony: George Anderson, Attorney, Anderson Hansell PC, 475 E Main Street, Hermiston, Oregon. Mr. Anderson stated that he represents the Hermiston School District. Mr. Anderson stated that this parcel is approximately 72 acres and HSD owns 19 acres on the east side, which abuts NE 10th Street and Theater Lane. HID owns the remaining acreage on the west side of the parcel. He stated that the City of Hermiston plans to annex this property into the City R-3 Zone, Multifamily Residential. He feels this will increase the availability of housing in the area, contrary to the letter from FHCO and HLA, both of which are based out of Portland. Mr. Anderson stated that both the Hermiston Planning Commission and the Hermiston City Council voted unanimously in favor of this ordinance and there was no objection.

Mr. Anderson stated that he has provided the Planning Commission with the following documents to add to the hearing record; (exhibit B) Letter from Anderson Hansell PC, dated July 25, 2019, (exhibit C) City of Hermiston Comprehensive Plan, Section H, Goal 10, Policy 21: Housing Availability and Affordability, and (exhibit D) Hermiston Residential Buildable Land Inventory, Dated February 25, 2004 from Hobson Ferrarini Associates. Exhibits A-D were officially added to the hearing record.

Mr. Anderson read the letter he provided to the Planning Commission. He stated that, The Fair Housing Council of Oregon and the Housing Land Advocates of Oregon have written and asked the Planning Commission to postpone co-adoption of City of Hermiston Ordinance 2271 changing the Comprehensive Plan from urbanizable to urban requesting that the city's HNA and BLI need to be consulted in order to show that an adequate number of needed housing units (both housing type and affordability level) will be supported by the residential land supply after enactment of the proposed change. They also claim that your findings must demonstrate that the proposed changes do not leave the City with less than adequate residential land supplies in the types, locations, and affordability ranges affected. Mr. Anderson argued that the Umatilla County Comprehensive Plan had the subject land classified as urbanizable and it will become designated urban when annexed to the City. Therefore, there essentially is no change.

Mr. Anderson stated that the County had the property zoned as RR-10 (Rural Residential, 10 acre minimum parcel size). The City is annexing the property as R-3 (Multi-Family Housing) which would allow apartments, including low income housing, triplexes and single family housing. This will make more land available for housing, including affordable housing, not less as stated in the letter of objection provides by FHCO and HLA. He does not believe the LUBA case (Mulford v. Town of Lakeview, 36 or LUBA 715,731) cited in the letter is relevant to this particular request because they were asking for permission to rezone residential land for industrial uses which would reduce the availability of land for housing. With the annexation of the subject land as R-3, more land will be available for residential housing. Mr. Anderson pointed out that the west end of Umatilla County, especially the Cities of Hermiston and Umatilla, are experiencing dramatic growth in their populations due to the construction of massive data centers, new food processing plants, and other growth factors. He feels that the County's co-adoption of the City of Hermiston Ordinance 2271 will improve the inventory of available land for housing, not decrease it.

Mr. Anderson stated that, in November, the Hermiston School District will be asking voters to approve an \$82,000,000 bond issue which includes construction of a new elementary school on the 19 acres owned by the HSD on the subject 72 acres. A delay in the co-adoption of City of Hermiston Ordinance 2271 would adversely affect the school district's efforts to pass this bond issue and build a badly needed elementary school on that site. The 19 acres for the school must be annexed into the City in order to be developed. He added that, the City of Hermiston is in the process of installing sewer and water lines along the southern boundary of the subject land. The City will also pave East Theater Lane adjacent to the land this year and is finishing construction of a new water tower just north of the subject parcel. He also pointed out that the remaining 53 acres of the subject land will be zoned R-3 which will make it more desirable for the construction of multifamily housing, including more affordable low income housing.

Applicant Testimony: Tricia Mooney, Superintendent, Hermiston School District, 1055 W Judith Place, Hermiston, Oregon. Mrs. Mooney stated that, over the past 2 years the HSD engaged a Long Range Facility Planning Committee which included several members of the community. Their objective was to assess the current school capacity and growth and make

recommendations to the Board of Directors for future facilities. At this time, the district is overcrowded at the elementary and high school levels and as a result, they have enacted the use of 33 modular classrooms to accommodate enrollment growth. She added that over the course of 5 years district enrollment numbers have increased by 500 students.

Mrs. Mooney stated that the new zoning designation of R-3 would allow for more single family housing opportunities. There are plans for the property to the west of the subject parcel owned by HID to be sold and used to construct a future housing development close to the school.

Applicant Testimony: Cameron Bendixen, Attorney, Bendixen Law, 245 E Main Street, Suite E, Hermiston Oregon. Mr. Bendixen stated that he represents the Hermiston Irrigation District. Mr. Bendixen stated that he would like to echo everything that Mr. Anderson has stated. He and Mr. Anderson discussed the joint letter from FHCO and HLA but do not feel that the issues raised in the letter are adequate concerns.

Public Agencies: No additional comments.

Commissioner Rhinhart closed the hearing for deliberation.

DELIBERATION & DECISION

Commissioner Williams stated that she is from Echo and they also need more residential properties, just on a smaller scale, so she understands the issue.

Commissioner Hasenbank made a motion to recommend approval of Plan Map Amendment, #P-124-19, to co-adopt City of Hermiston Ordinance 2271 amending the Comprehensive Plan Map from urbanizable to urban status for 71.02 acres on the north side of E Theater Lane and on the West side of NE 10th Street, to the Umatilla County Board of Commissioners. Commissioner Williams seconded the motion. Motion passed with a vote of 5:0.

A subsequent Public Hearing before the Umatilla County Board of Commissioners is scheduled for Wednesday, August 7, 2019, at 9:00 AM in Room 113 of the Stafford Hansell Government Center, 915 SE Columbia Drive, Hermiston, Oregon.

MINUTES

Commissioner Rhinhart called for any corrections or additions to the minutes from the April 25, 2019 meeting. Commissioner Hasenbank pointed out that her last name is misspelled on page 3. Ms. Dutcher, Administrative Assistant, agreed to make the correction. Commissioner Hasenbank moved to approve the minutes with the correction made on page 3. Commissioner Williams seconded the motion. Motion carried by consensus.

OTHER BUSINESS

Mr. Waldher welcomed our new Planning Commissioner, Lyle Smith. Mr. Smith has previously served on the City of Umatilla Planning Commission. His insight and experience will bring added value to the group.

The next Planning Commission Hearing is scheduled for Thursday, August 22, 2019, 6:30pm at the Umatilla County Justice Center, Media Room, 4700 NW Pioneer Place, Pendleton, Oregon.

ADJOURNMENT

Commissioner Rhinhart adjourned the meeting at 7:08 p.m.

Respectfully submitted,

Tierney Dutcher,
Administrative Assistant